IRCON HARIDWAR BYPASS LIMITED

(A Wholly owned subsidiary of Ircon International Limited)

CIN: U45209DL2022GOI392406

ANNUAL REPORT

2023

CONTENTS OF ANNUAL REPORT OF IRCON HARIDWAR BYPASS LIMITED (IrconHBL) FOR THE PERIOD FROM 13.01.2022 TO 31.03.2023

Sr. No.	Particulars	Page No.
1.	Company's Profile	1
2.	Chairman's Message	3-4
3.	Directors Report	5-14
	❖ AOC-2	15
4.	Financial Statements of the Company	
	❖ Auditor Report	16-25
	❖ Balance Sheet	26
	❖ Statement of Profit and Loss	27
	❖ Cash Flow Statement	28
	❖ Statement of Changes in Equity	29
	❖ Notes to Accounts & Other Explanatory Information	30-61
5.	Comments of Comptroller & Auditor General of India	62-63

HARIDWAR BYPASS PROJECT PHOTOGRAPHS

COMPANY PROJECT

Upgradation and Four Laning of Haridwar Bypass Package-1 From Km.0+000 (Km 188+100 of NH-58) to Km. 15+100 (km 5+100 of NH 74) ('the Project') in the State of Uttarakhand on Hybrid Annuity Basis

BOARD OF DIRECTORS

Mr. Devendra Kumar Sharma, Chairman

Mr. B. Mugunthan, Director

Mr. Masood Ahmad, Director

STATUTORY AUDITOR

M/s. Ravi Ramesh & Associates,

Chartered Accountant

EPC CONTRACTOR TO COMPANY

Ircon International Limited

CONTACT PERSON

Ms. Shivi Kapoor

Compliance Officer

Email id: cospv.ircon@gmail.com

RESGISTERED OFFICE

C-4, District Centre,

Saket, New Delhi-110017

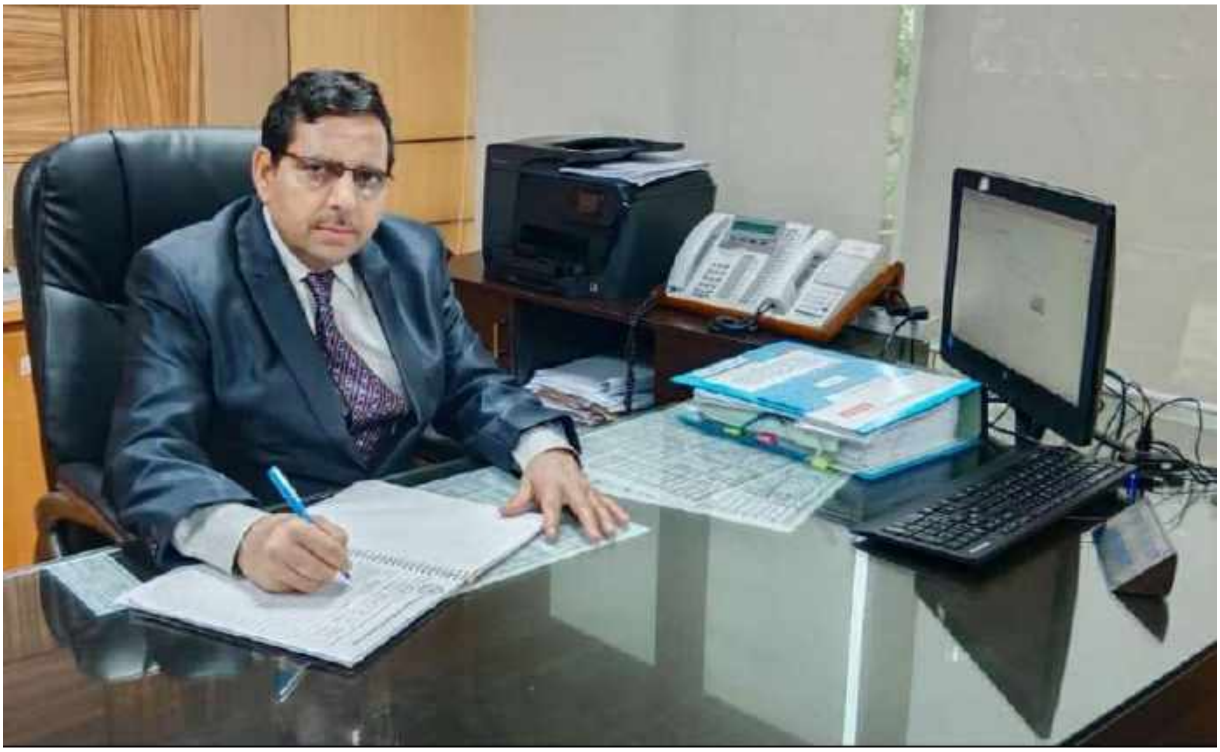
BOARD OF DIRECTORS

Mr. Devendra Kumar Sharma
Chairman

Mr. B. Mugunthan
Director

Mr. Masood Ahmad
Director

CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me immense pleasure to welcome you all on behalf of the esteemed members of the Board to the First (01st) Annual General Meeting (AGM) of Ircon Haridwar Bypass Limited (IrconHBL). The Directors' Report and the Audited Financial Statements for the period from 13th January, 2022 to 31st March, 2023, are already with you and with your kind permission, I take them as read. I would like to express my sincere gratitude for making it convenient for attending the AGM.

Ircon International Limited ("IRCON") has been awarded the work of Upgradation and Four Laning of Haridwar Bypass Package-1 From Km.0+000 (Km 188+100 of NH-58) to Km. 15+100 (km 5+100 of NH 74) ('the Project') in the State of Uttarakhand on Hybrid Annuity Basis (HAM) by National Highway Authority of India (NHAI). In terms of condition stipulated in Letter of Award issued by NHAI, IRCON has incorporated your Company as its wholly-owned subsidiary and a Special Purpose Vehicle for execution of the Project.

I would like to place before you, few highlights of IrconHBL.

IrconHBL has signed Concession Agreement with NHAI on 08th March, 2022. The concession period of the Project comprises of construction period 730 days from the appointed date and operation period of 15 years commencing from Commercial Operation Date (COD).

As per Concession Agreement the Bid Project Cost is Rs.861 crore Plus GST (excluding escalation). The 40% of the project bid cost shall be reimbursed by NHAI during construction phase and balance 60% will be receivable after construction in the form of Annuity. The company will finance the cost of project by way of debt of Rs.447.61 crore & equity of Rs.111.90 crore. In respect of debt, State Bank of India has sanctioned the term loan of

Rs.447.61 crore. As on date SBI has disbursed the term loan of Rs.5.61 crore and total equity of Rs.82.42 crore has been infused by Ircon international Ltd.

IRCON has been appointed as EPC Contractor for execution of the project work including O&M for five (05) years at EPC price of Rs.784.58 plus applicable GST. Presently construction activities at project has started from the appointed date of 31st October 2022 and the works are progressing on the available front.

Compliances and Disclosures

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

Memorandum of Understanding (MoU): Your Company has requested IRCON to grant it exemption from compliance of Annual MoU exercise for the financial year 2022-23 and 2023-24, in line with the Memorandum of Understanding (MoU) Guidelines issued by Department of Public Enterprises (DPE) dated 10th March, 2023 and IRCON vide its letters dated 07th November, 2022 and 06th February, 2023 has granted exemption to the Company from compliance of Annual MOU exercise for the financial year 2022-23 and 2023-24 respectively.

Acknowledgements

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

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

For and on behalf of Board of Directors
of Ircon Haridwar Bypass Limited

Sd/-
Devendra Kumar Sharma
Chairman
DIN: 08556821

Date: 01.08.2023
Place: New Delhi

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the **01st Annual Report** of **Ircon Haridwar Bypass Limited (IrconHBL)** together with the Audited Financial Statements of the Company and Auditor's Report for the period from 13th January, 2022 (i.e. date of incorporation) to 31st March, 2023.

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

IrconHBL, a wholly owned subsidiary of IRCON International Limited (IRCON) was incorporated on 13th January, 2022 as a Special Purpose Vehicle (SPV) with the main object to carry the business of Upgradation and Four Laning of Haridwar Bypass Package-1 From Km.0+000 (Km 188+100 of NH-58) to Km. 15+100 (km 5+100 of NH 74) ('the Project') in the State of Uttarakhand on Hybrid Annuity Basis in accordance with the terms of Concession Agreement with National Highways Authority of India (NHAI).

IrconHBL has entered into Concession Agreement with NHAI on 08th March, 2022. and the concession period of the project comprises of construction period of 730 days from the appointed date and operation period of 15 years commencing from Commercial Operation Date (COD). IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

Further as per Concession Agreement the Bid Project Cost is Rs.861 crore Plus GST (excluding escalation). The 40% of the project bid cost shall be reimbursed by NHAI during construction phase and balance 60% will be receivable after construction in the form of Annuity. The company will finance the cost of project by way of debt of Rs.447.61 crore & equity of Rs.111.90 crore. In respect of debt, State Bank of India has sanctioned the term loan of Rs.447.61 crore.

IRCON has been appointed as EPC Contractor for execution of the project work including O&M for five (05) years at EPC price of Rs.784.58 plus applicable GST. Presently construction activities at project has started from the appointed date of 31st October 2022 and the works are progressing on the available front.

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 for the period from 13th January, 2022 to 31st March, 2023 as per Indian Accounting Standards (IND AS).

Financial performance indicators for the period from 13th January, 2022 to 31st March 2023:

(Rs. in lakh)

Sl. No.	Particulars	For the period from 06.01.2022 to 31.03.2023
1.	Equity Share Capital	5.00

2.	Other Equity (includes Reserves and Surplus)	8,294.00
3.	Net Worth	8,299.00
4.	**Total Assets and Liabilities**	**8,761.81**
5.	Revenue from Operations	5,205.63
6.	Other Income	103.92
7.	**Total Income (7) + (8)**	**5,309.55**
8.	**Profit Before Tax**	**103.28**
9.	**Profit After Tax**	**77.06**
10.	Earnings Per Equity Share (on face value of Rs.10/- per share) (i) Basic (ii) Diluted	 154.12 154.12

***Note:** The company is incorporated on 13th January, 2022 as wholly owned subsidiary of Ircon International Limited and this is the first financial period of incorporation of the company hence corresponding figure of previous period not provided.

3. DIVIDEND & APPROPRIATION TO RESERVE:

The Board of Directors does not recommend any dividend for the period under review.

As per the applicability of Ind AS, Reserves are reflected as Retained Earnings under the head "Other Equity" in Financial Statements and your Company has a balance of Rs.77.06 Lakhs in Retained Earnings as on 31st March 2023.

4. SHARE CAPITAL/ DEMATERIALISATION:

Your Company was incorporated with an Authorized Share Capital and the Paid-up Share Capital of the Company of Rs.5 Lakh comprising of 50,000 Equity Shares of Rs.10/- each. Ircon International Limited (IRCON) hold 100% of the paid-up share capital of IrconHBL. Since, the incorporation of the Company i.e. 13th January, 2022, there was no change in the share capital of your company.

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

5. CASH FLOWS FROM THE PROJECT:

The Company is having a negative Cash Flows from operating activities of Rs.8,279.98 lakh for the financial year ended 31st March 2023.

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 PERIOD FROM 13TH JANUARY, 2022 TO 31ST MARCH 2023:

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

As on 31st March, 2023, total number of Director is Three including Chairman, nominated by IRCON. Details of Directors are as follows:

Category, Name & Designation	DIN	Appointment or Cessation (during the year, if any)
Mr. Devendra Kumar Sharma, Chairman	08556821	Appointed as Additional Part-time Director and Chairman on 10.10.2022
Mr. B. Mugunthan, Director	08517013	-
Mr. Masood Ahmad, Director	09008553	-

Mr. Ashok Kumar Goyal, Chairman (Part-time Nominee) of your Company, ceased to be the Director and Chairman of your Company consequent to withdrawal of nomination by the IRCON w.e.f. 10th October 2022. The Board placed on record its appreciation for valuable contribution, guidance and support given by Mr. Ashok Kumar Goyal.

Mr. Devendra Kumar Sharma, Director, was nominated by IRCON as Chairman and Additional Part-time Director of the Company w.e.f. 10th October 2022, who hold office upto the date of the Annual General Meeting. The Company has received a notice under section 160 of the Companies Act, 2013 from Mr. Devendra Kumar Sharma giving his candidature for appointment as Chairman and Director, liable to retire by rotation, in the Annual General Meeting (AGM). His appointment as Director by Shareholders is included in the notice of the AGM.

In accordance with the provisions of Section 152(6) the Companies Act, 2013, all Directors of the Company shall be liable to retire by rotation at the Annual General Meeting of your Company. Mr. B. Mugunthan and Mr. Masood Ahmad being the First Directors of the Company appointed on the same date i.e. 13th January, 2022 and Mr. B. Mugunthan will retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment as Director and his brief resume is annexed to the Notice of the Annual General Meeting.

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

Key Management Personnel (KMP):

As per Section 203 of the Companies Act, 2013, your Company is not required to appoint any Key Management Personnel (KMP) during the period under review.

8. <u>Board Meetings:</u>

During the period under review, the Board met nine (9) times on 06.01.2022, 17.01.2022 08.02.2022, 17.05.2022, 22.07.2022, 04.08.2022, 25.08.2022, 03.11.2022 and 31.01.2023. The interval between two Board Meetings were within the period prescribed under the Companies Act, 2013. The attendance detail of the Board Meetings is as follows:

Date of The Meeting	Board Strength	No. of Directors Present
14.01.2022	3	3
20.01.2022	3	3
21.02.2022	3	2
17.05.2022	3	3
22.07.2022	3	3
04.08.2022	3	3
09.09.2022	3	2
03.11.2022	3	3
31.01.2023	3	3

The table below shows attendance of the Board members at the Board Meetings held during the period under review:

Name of Directors	Meeting Date									Total Board Meeting entitled to attend during the period from 06th January, 2022 to 31st March, 2023	No. of Board Meetings attended during the period from 13th January, 2022 to 31st March, 2023	% of Attendance
	14.01.2022	**20.01.2022**	**21.02.2022**	**17.05.2022**	**22.07.2022**	**04.08.2022**	**09.09.2022**	**03.11.2022**	**31.01.2023**			
Mr. Ashok Kumar Goyal	✓	✓	✓	✓	✓	✓	×	-	-	**7**	**6**	**85.71**
Mr. B. Mugunthan	✓	✓	×	✓	✓	✓	✓	✓	✓	**9**	**8**	**88.89**
Mr. Masood Ahmad	✓	✓	✓	✓	✓	✓	×	✓	✓	**9**	**9**	**100**
Mr. Devendra Kumar Sharma	-	-	-	-	-	-	-	✓	✓	**2**	**2**	**100**

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

Ministry of Corporate Affairs (MCA) vide its notification dated 05th July, 2017 exempted an unlisted public company which are wholly-owned subsidiary from the requirement of appointing Independent Directors on its Board and constitution of Audit Committee and Nomination & Remuneration Committee (NRC).

IrconHBL, an unlisted public company and a wholly-owned subsidiary company of IRCON, therefore, is 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 Office Memorandum (OM) dated July 8-10, 2014, read with OM dated 11th July, 2019, CPSE's constituted as Special Purpose Vehicle (SPV) are exempted from compliance with the DPE Guidelines on Corporate Governance for CPSEs. Hence, Corporate Governance Guidelines of DPE are not applicable on IrconHBL.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

a) that in the preparation of the annual financial statements for the year ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2023 and of the Profit & Loss of the Company for that period ended on that date;

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

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

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

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

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

12. **STATUTORY AUDITORS:**

M/s. Ravi Ramesh & Associates, Chartered Accountants was appointed as first Statutory Auditors, for the period from 13th January, 2022 to March 31, 2023 by the Comptroller and Auditor General of India vide CAG letter No./CA.V/COY/Central Government, IRCHBL(1)/2010 dated May 04, 2022 which was rectify by the Members of the Company at the second EGM held on 17th May, 2022. They have confirmed by way of a written consent and certificate as required under Section 139(1) of the Companies Act, 2013.

13. **STATUTORY AUDITORS' REPORT AND C&AG COMMENTS**

The reports of the Statutory Auditors on the Financial Statements for the period from 13th January, 2022 to March 31, 2023 with nil observation are attached separately as part of the Annual Report along with Non Review Certificate from Comptroller & Auditor General (C&AG) of India for the period from 13th January, 2022 to 31st March, 2023.

14. **COST RECORDS**

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable to the Company during Financial Year 2022-23.

15. **SECRETARIAL AUDIT REPORT**

The requirement of obtaining a Secretarial Audit Report under Section 204 of the Companies Act, 2013 from the practicing company secretary is not applicable to the Company.

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

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

17. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the 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 – B.**

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

No material changes and commitments have occurred which affect the financial position of the Company between the end of the financial year and the date of this report.

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

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

A. Conservation of energy: -

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 period under review.

20. RISK MANAGEMENT:

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

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 were not applicable to the Company during the period under review.

22. PARTICULARS OF EMPLOYEES:

As per Notification dated 5th June, 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.

IrconHBL 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.

23. CHANGE IN THE NATURE OF BUSINESS:

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

24. PUBLIC DEPOSITS:

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

25. 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 Indian 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.

26. 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 period under review.

27. COMPLIANCE OF MSME GUIDELINES FOR IMPLEMENTATION OF PURCHASE PREFERNCE 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 Rs.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.. Registration on TReDS Platform is under process.

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

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

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

29. VIGIL MECHANISM:

The provisions of Section 177(9) of the Companies Act, 2013 relating to establishing of a vigil mechanism are not applicable to Company.

30. RIGHT TO INFORMATION:

No application under Right to Information Act, 2005 was received by your company during the financial year 2022-23, however, RTI application transferred from DPE was duly replied during the financial year 2022-23.

31. PERFORMANCE EVALUATION OF BOARD MEMBERS:

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

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

32. SECRETARIAL STANDARDS

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

33. 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.

34. 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.

Your Company, incorporated as wholly owned subsidiary of IRCON (holding company) and Special Purpose Vehicle (SPV), will sign Annual MoU with IRCON.

During the period under review, your Company requested IRCON to grant it exemption from compliance of Annual MOU exercise for the financial year 2023-24, in line with the MOU Guidelines and IRCON vide its letter dated 06th February, 2023 has granted exemption to the Company.

35. ACKNOWLEDGEMENT:

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

We thank our Contractors and Sub-contractors 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.

For and on behalf of Board of Directors
of Ircon Haridwar Bypass Limited

Sd/-
Devendra Kumar Sharma
Chairman
DIN: 08556821

Date: 01.08.2023
Place: New Delhi

ANNEXURE – A

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto during the period from 13th January, 2022 to 31st March, 2023

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**	730 Days from date of appointment and Operation & maintenance for 5 years from commercial operation date and	EPC agreement executed on 2nd September, 2022 for Rs.784.58 crore	22nd July, 2022	Mobilisation advance of Rs.24.78 crore
2.	**Lease Agreement** (To take on lease the Office Premises of IRCON)	One Year (01.02.2022 to 31.03.2023)	Lease Agreement executed on 18th February, 2022 for rent @ Rs.21,236/- p.m. plus GST.	14th January, 2022	NIL (As on Date)

For and on behalf of Board of Directors
of Ircon Haridwar Bypass Limited

Sd/-
Devendra Kumar Sharma
Chairman
DIN: 08556821

Date: 01.08.2023
Place: New Delhi

AOC-2

INDEPENDENT AUDITOR'S REPORT

To the Members of
IRCON HARIDWAR BYPASS LIMITED

Report on the Audit of the Ind AS Financial Statement

We have audited the accompanying Standalone Financial Statements of IRCON HARIDWAR BYPASS LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2023, 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 significant 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 Ind AS 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the 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 Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no Key Audit Matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information 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.

RAVI RAMESH & ASSOCIATES
FRN [illegible] N
NEW DELHI
Chartered Accountants

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act 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 Ind AS 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 SA's, 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 section143(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 Ind AS 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

RAVI RAMESH & ASSOCIATES FRN 04306 N NEW DELHI Chartered Accountants

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 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

RAVI RAMESH & ASSOCIATES
FRN 004305 N
NEW DELHI
Chartered Accountants

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.
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 covered under report.

For RAVI RAMESH & ASSOCIATES
Chartered Accountants
FRN No. 004306N

RAVI RAMESH & ASSOCIATES
FRN 004306 N
NEW DELHI
Chartered Accountants

CA SUBHASH BANSAL
Partner
M.No.085785
UDIN:23085785BGYBXH8643

Place: New Delhi
Dated: 12th May, 2023

ANNEXURE "A" To the Independent Auditors' Report
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Re: **IRCON HARIDWAR BYPASS LIMITED (the "Company")**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

(i) (a) A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) The Company has no intangible assets.

(b) The Property, Plant and Equipment have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has no immovable properties.

(d) The Company has not revalued its properties, plant and equipment.

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The company does not have any inventory during the year under review, therefore clause(ii) of Para 3 of Companies (Auditor's Report) order, 2020 is not applicable to the company.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) In our opinion Clause (vi) of Clause 3 of the Order relating to cost accounting records is not applicable during the period under report.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

RAVI RAMESH & ASSOCIATES FRN 012306N NEW DELHI Chartered Accountants

(viii) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations given to us and the records of company examined by us, during the period under review, the company has not taken any loans from banks or financial institutions.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority as at the end of the year.

(c) The Company has not taken any term loan during the year.

(d) The company has not raised any funds on short term basis.

(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) The Company has no borrowing, including debt securities during the year.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards and the Companies Act,2013.

(xiv) In our opinion the requirement of internal audit does not apply to the company.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

(xvii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year.

RAVI RAMESH & ASSOCIATES FRN 004308N NEW DELHI Chartered Accountants

(xviii)There has been no resignation of the statutory auditors of the Company during the year.

(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, 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 incapable 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) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **RAVI RAMESH & ASSOCIATES**
Chartered Accountants
FRN No. 004306N

RAVI RAMESH & ASSOCIATES
FRN 004306 N
NEW DELHI
Chartered Accountants

Subhash Bansal

SUBHASH BANSAL
Partner
M.No.085785

Place: New Delhi
Dated:12th May,2023

ANNEXURE "B" To the Independent Auditors' Report

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

Re: **IRCON HARIDWAR BYPASS LIMITED (the "Company")**

We have audited the internal financial controls over financial reporting of IRCON HARIDWAR BYPASS LIMITED ("the Company") as of March 31st 2023 in conjunction with our audit of the financial statements of the company for the period 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.

RAVI RAMESH & ASSOCIATES FRN NEW DELHI Chartered Accountants

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, 2023, "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 **RAVI RAMESH & ASSOCIATES**
Chartered Accountants
FRN No. 004306N

RAVI RAMESH & ASSOCIATES
FRN 004306 N
NEW DELHI
Chartered Accountants

CA SUBHASH BANSAL
Partner
M.No.085785

Place: New Delhi
Dated: 12th May,2023

Ircon Haridwar Bypass Limited
CIN:-U45209DL2022GOI392406
Balance Sheet as at 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

	Particulars	Note	As at 31st March, 2023
I.	**ASSETS**		
1	**Non-Current Assets**		
	(a) Property, Plant and Equipment	3	0.32
	(b) Deferred Tax Assets (net)	4	0.02
	(c) Financial Assets		
	(i) Other Financial Assets	5	0.01
	(d) Other Non-Current Assets		-
	Total Non-Current Assets		0.35
2	**Current assets**		
	(a) Financial Assets	6	
	(i) Cash and Cash Equivalents	6.1	44.82
	(ii) Loans		-
	(iii) Other Financial Assets	6.2	5,299.16
	(b) Current Tax Assets (Net)	7	0.03
	(c) Other Current Assets	8	3,417.45
	Total Current Assets		**8,761.46**
	TOTAL ASSETS		**8,761.81**
II.	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share Capital	9	5.00
	(b) Other Equity	10	8,294.00
	Total Equity		**8,299.00**
2	**Liabilities**		
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Lease Liabilities		-
	(ii) Trade Payables		
	- total outstanding dues of micro enterprises and small enterprises		-
	- total outstanding dues of creditors other than of micro enterprises and small enterprises		-
	Total Non-Current Liabilities		-
3	**Current Liabilities**		
	(a) Financial Liabilities		
	(i) Lease Liabilities		-
	(i) Trade Payables	11	
	- total outstanding dues of micro enterprises and small enterprises	11.1	0.31
	- total outstanding dues of creditors other than of micro enterprises and small enterprises	11.1	350.92
	(iii) Other Financial Liabilities	11.2	6.58
	(b) Other Current Liabilities	12	105.00
	(c) Current Tax Liabilities (Net)	13	-
	Total Current Liabilities		**462.81**
	TOTAL EQUITY AND LIABILITIES		**8,761.81**

Summary of significant accounting policies 2
The accompanying notes are an Integral part of the financial statements. 1 to 38

As per our report of even date
For Ravi Ramesh & Associates
ICAI Firm Registration No. : 004306N
Chartered Accountants

CA Subhash Bansal
Partner
ICAI Membership No. : 085785
UDIN:

For and on behalf of the Board of Directors
Ircon Haridwar Bypass Limited

Muguntham Boju Gowda
Director
(DIN:-08517013)

Masood Ahmad
Director
(DIN:-09008553)

Place: New Delhi
Date : 12.05.2023

Ircon Haridwar Bypass Limited
CIN:-U45209DL2022GOI392406
Statement of Profit and Loss for the period from 13th January 2022 to 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Note	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Income		
Revenue from operations	14.1	5,205.63
Other income	14.2	103.92
Total Income (A)		5,309.55
Expenses		
Project Expenses	15	5,099.84
Employee benefits expenses	16	24.79
Finance Costs	17	9.24
Depreciation and amortization expenses	3	0.10
Other expenses	18	72.30
Total expenses (B)		**5,206.27**
Profit/(Loss) before tax (A-B)		**103.28**
Tax expenses	4	
Current tax		26.24
Deferred tax (net)		(0.02)
		26.22
Profit/(Loss) for the period		**77.06**
Other comprehensive income/(loss)		
A) Items that will not be reclassified to profit or loss		-
Income tax relating to Items that will not be reclassified to profit or loss		-
B) Items that will be reclassified to profit or loss		-
Income tax relating to Items that will be reclassified to profit or loss		-
Other comprehensive income/(loss) for the period (net of tax)		-
Total Comprehensive income/(loss) for the period		**77.06**
Earnings per equity share (Face Value Per Equity Share Rs. 10)	22	
Basic		154.12
Diluted		154.12
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the financial statements.	1 to 38	

As per our report of even date
For Ravi Ramesh & Associates
ICAI Firm Registration No. : 004306N
Chartered Accountants

CA Subhash Bansal
Partner
ICAI Membership No. : 085785
UDIN:

For and on behalf of the Board of Directors
Ircon Haridwar Bypass Limited

Muguntharr Boju Gowda
Director
(DIN:-08517013)

Masood Ahmad
Director
(DIN:-09008553)

Place: New Delhi
Date : 12.05.2023

Ircon Haridwar Bypass Limited
CIN:-U45209DL2022GOI392406
Cash Flow Statement for the period from 13th January 2022 to 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars		For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
A. Cash flow from operating activities		
Profit before tax		103.28
Adjustments for:		
Depreciation/Amortization		0.10
Interest Income		(103.92)
Interest Expenses		0.64
Loss on disposal of assets		-
Bad Debts		-
Tax for the Earlier Years		-
Operating profit before working capital changes		**0.10**
Movements in working capital:		
Increase/(decrease) in other non-current liability		-
Increase/(decrease) in other current financial liabilities		6.58
Increase/(decrease) in Current Trade Payables		351.23
Increase/(decrease) in other non-current financial liabilities		-
Increase/(decrease) in other current liability		105.00
Increase/(decrease) in non-current provisions		-
Increase/(decrease) in current provisions		-
Decrease/(increase) in trade receivables		-
Decrease/(increase) in inventories		-
Decrease/(increase) in non current financial loans		-
Decrease/(increase) in Loans & current financial assets		(5,299.16)
Decrease/(increase) in other Non-current assets		(0.01)
Decrease/(increase) in other current assets		(3,417.45)
Cash Generated from Operation		**(8,253.71)**
Less : Income Tax Paid		26.27
Net cash flow from/(used in) operating activities	(A)	**(8,279.98)**
B. Cash flows from investing activities		
Purchase of PPE		(0.42)
Interest Income		103.92
Net cash flow from/(used in) investing activities	(B)	**103.50**
C. Cash flow from financing activities		
Proceeds from fresh issue of share capital		5.00
Interest expenses		(0.64)
Loan From Ircon International Limited as quasi capital		8,216.94
Net cash flow from/(used in) in financing activities	(C)	8,221.30
Net increase/(decrease) in cash and cash equivalents	(A + B +C)	44.82
Cash and cash equivalents at the beginning of the period		-
Closing cash and cash equivalents		**44.82**

Particulars	As at 31st March 2023
Components of cash and cash equivalents*	
- Cash on hand	-
- With banks in current account	5.02
- Deposit with original maturity of less than 3 months	39.80
Total cash and cash equivalents as per Balance Sheet and Statement of Cash Flows	44.82

*Earmarked Fund

Notes:

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

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements. 1 to 38

As per our report of even date
For Ravi Ramesh & Associates
ICAI Firm Registration No. : 004306N
Chartered Accountants

CA Subhash Bansal
Partner
ICAI Membership No. : 085785
UDIN:

For and on behalf of the Board of Directors
Ircon Haridwar Bypass Limited

Mugunthan Beju Gowda
Director
(DIN:-08517013)

Masood Ahmad
Director
(DIN:-09008553)

Place: New Delhi
Date : 12.05.2023

Ircon Haridwar Bypass Limited
CIN:-U45209DL2022GOI392406
Statement of changes in equity for the period from 13th January 2022 to 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

(a) Equity Share Capital

Particulars	Amount
Balance as at 13th January 2022	-
Changes in equity share capital during the period	5.00
Balance as at 31st March 2023	**5.00**

(b) Other Equity

Particulars	Reserves & Surplus	Other Comprehensive Income	Quasi equity	Total
	Retained Earnings			
Balance as at 13th January 2022	-	-	-	-
Total profit for the period	77.07	-	-	77.07
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	77.07	-	-	77.07
Addition in Quasi Equity	-	-	8,216.94	8,216.94
As at 31st March, 2023	**77.07**	-	**8,216.94**	**8,294.01**

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements. 1 to 38

As per our report of even date
For Ravi Ramesh & Associates
ICAI Firm Registration No. : 004306N
Chartered Accountants

CA Subhash Bansal
Partner
ICAI Membership No. : 085785
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Place: New Delhi
Date : 12.05.2023

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Ircon Haridwar Bypass Limited

Muguntha Raju Gowda
Director
(DIN:-08517013)

Masood Ahmad
Director
(DIN:-09008553)

1. Corporate Information

Ircon Haridwar Bypass Limited (the "Company") is domiciled and incorporated in India and is a wholly owned subsidiary of Ircon International Limited (IRCON), public sector construction company domiciled in India. The Company (CIN U45209DL2022GOI392406) is incorporated under the provisions of the Companies Act, 2013 applicable in India.

The Company came into existence when IRCON was awarded the work of upgradation & construction of four laning of Haridwar Bypass Package-I from Km0+000 (Km 188+100 of NH-58) to Km 15+100(Km5+100 of NH-74) in the state of Uttarakhand on Hybrid Annuity basis In pursuant to the provisions of "Request for Proposal", the selected bidder 'IRCON' has formed a Special Purpose Vehicle (SPV) named Ircon Haridwar bypass Limited as wholly owned subsidiary of IRCON, incorporated on 13.01.2022. Accordingly, the Company has signed the Concession Agreement with NHAI on 8th March, 2022 for the project value amounting to Rs 861 Crore. The Concession period is 15 years from Commercial Operation Date (COD) and Construction period is 730 days from Appointed Date. The registered office of the company is located at C-4, District Centre, Saket, New Delhi- 110017.

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

The financial statements are approved for issue by the company's Board of Directors in their meeting held on 12.05.2023

2. Significant Accounting Policies

2.1 Basis of preparation

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

The financial statements have been prepared on a going concern basis following accrual system of accounting. The Company has adopted the historical cost basis for assets and liabilities, except for the following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value
- Certain financial assets and liabilities measured at fair value
- Defined benefit plans and other long-term employee benefits

2.2 Summary of significant accounting policies

A summary of the significant 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 vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle aliability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settledwithin twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2.2 Property, plant and equipment

Recognition and Initial Measurement

Property, plant and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

Cost of asset includes

a) Purchase price, net of any trade discount and rebates
b) Borrowing cost if capitalization criteria is met'
c) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use
d) Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto.
e) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Freehold land is carried at historical cost.

Subsequent measurement

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the expenditure can be measured reliably.

Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalized if the recognition criteria are met.

The machinery spares are capitalized if recognition criteria are met.

Depreciation and useful lives

Depreciation on property, plant and equipment, excluding freehold land and leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013

However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts.

Depreciation on additions to/deductions from property, plant and equipment during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed

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. Leasehold land acquired on perpetual lease is not amortized.

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate. "Ordinarily, the residual value of an asset is up to 5% of the original cost of the asset" as specified in Schedule II of the Companies Act, 2013

Derecognition

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

2.2.3 Impairment of non-financial assets

At each reporting date, the Company assesses, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories are recognized in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior period. Such reversal is recognized in the statement of profit and loss.

2.2.4 Revenue recognition

Service concession arrangement

a) <u>Financial Assets Under Service concession Arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)</u>

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

Such financial assets are initially measured at fair value i.e. present 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

<u>Ind AS 115 – Revenue from Contracts with Customers)</u>

The Company recognizes and measures revenue from construction and Operation & Maintenance services) in accordance with *Ind AS -115*"Revenue from Contracts with Customers"

Company combine the two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if contracts are negotiated as a package with a single commercial objective or amount of consideration to be paid in one contract depends on the price or performance of the other contract or goods or services promised in the contracts are single performance obligation.

Transaction price (it does not involve significant financing component) is the price which is contractually agreed with the customer for provision of services. Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third partiesi.e GST and is adjusted for variable considerations

The nature of Company's contract gives rise to several types of variable consideration including escalation and liquidated damages.

Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception

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.

The company satisfies a performance obligation and recognizes the revenue overtime, if any of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity perform

b) The entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or

c) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress, using percentage completion method, towards complete satisfaction of performance obligation. The progress 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 recognise 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 entity is able to reasonably measure its progress.

Performance obligation is measured by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.

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

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). Refer to accounting policies of financial assets in section (XX) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. 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.

Other income

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized using Effective Interest rate method.

Miscellaneous income is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract.

2.2.5 Borrowing cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are charged to statement of profit and loss as incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.2.6 Taxes

a) Current income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. 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 except to the extent it relates to items recognised outside profit or loss in which case it is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

b) 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

2.2.7 Foreign currencies

- Functional and presentation currency

  Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian Rupees which is also the functional and presentation currency of the Company.

- Transactions and balances

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

  Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

  Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the period in which they arise. These exchange differences are presented in the statement of profit and loss on net basis.

2.2.8 Employee benefit

a) Short-term employee benefits

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

b) Post-employment benefits and Other Long term Employee Benefits

The Post employee benefits & other long term Employee Benefits are provided by Ircon International Limited, the Holding Company, as the employees are on the deputation from the Holding Company.

2.2.9 Cash and cash equivalents

Cash and cash equivalent include cash on hand, cash at banks and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

2.2.10 Dividend

Annual Dividend distribution to the Company's equity shareholders is recognized as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognized as liability on approval by the Board of Directors. Dividend payable and corresponding tax on dividend distribution, if any, is recognized directly in equity.

2.2.11 Provisions, contingent assets and contingent liabilities

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

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 recognised as a finance cost.

b) Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. If the Company has a contract that is onerous, the present obligation under the contract is recognised 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.

c) 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.

RAVI RAMESH & ASSOCIATES
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Chartered Accountants

d) Contingent assets

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

2.2.12 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.

a) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
Leasehold land acquired on perpetual lease is not amortized.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liabilities

iii) **Short term lease and leases of low value assets**

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

All Financial assets are recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement

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

- **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Debt instruments at FVTOCI**

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

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- **Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Impairment of financial assets

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Lease receivables under Ind AS 116

d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
e. Loan commitments which are not measured as at FVTPL
f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

- Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount"

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

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

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

- **Financial liabilities at fair value through profit or loss**

The company has not designated any financial liabilities at FVTPL.

- **Financial liabilities at amortized cost**

Loans, borrowings, trade payables and other financial liabilities

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Financial guarantee contracts

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

d) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

e) Offsetting of financial instruments

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

2.2.14 Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.2.15 Non – current asset held for sale

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

If the criteria stated by IND AS 105 "Non-current Assets Held for Sale" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale. The depreciation reversal adjustment related property, plant and equipment, investment property and intangible assets is charged to statement of profit and loss in the period when non-current assets held for sale criteria are no longer met.

2.2.16 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.

2.2.17 Operating Segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and accessing performance of the operating segment of the company

2.2.18 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.

2.2.19 Significant accounting estimates and judgments

The estimates used in the preparation of the said financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

a. 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 receivables balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

b. 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 s will have material effect on its financial position of probability.

c. 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, existing market conditions as well as forward looking estimates at the end of each reporting period.

d. 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 to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

RAVI RAMESH & ASSOCIATES FRN 013206N NEW DELHI Chartered Accountants

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

e. Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

f. Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

3

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

g. Revenue recognition

The Company recognizes revenue for a performance obligation satisfied over time after reasonably 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, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied and they are probable and are capable of being reasonably measured. For the purpose of making estimates for claims, the company used the available contractual and historical information.

Ircon Haridwar Bypass Limited

CIN:-U45209DL2022GOI392406

Notes to financial statements for the period from 13th January 2022 to 31st March 2023

(All amounts in Indian Rupees Lakhs unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Computers	Total
As at 13th January 2022	-	-
Additions	0.42	**0.42**
Disposals/Adjustments	-	-
Transfer to Asset held for sale	-	-
Exchange Gain/ Loss	-	-
As at 31st March 2023	**0.42**	**0.42**
As at 13th January 2022	-	-
Depreciation charge for the period	0.10	**0.10**
Impairment	-	-
Disposals/Adjustments	-	-
Transfer to Asset held for sale	-	-
Exchange Gain/ Loss	-	-
As at 31st March 2023	**0.10**	**0.10**
Net book value		
As at 31st March 2023	**0.32**	**0.32**

Note:

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

Asset Class	**Useful life adopted and as per Schedule II (in years)**
Computer	3-6

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

(All amounts in Indian Rupees Lakhs unless otherwise stated)

4 **Deferred Tax Assets (Net)**

A) The major components of income tax expense for the period 13th January 2022 to 31st March 2023 are: -

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Current income tax	
Current income tax charge	26.24
Deferred tax	
Relating to origination and reversal of temporary differences	(0.02)
Income tax expense reported in the statement of Profit and Loss	**26.22**

B) The reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the period 13th January 2022 to 31st March 2023 are :

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
1. Profit/(Loss) before tax	103.28
2. Corporate tax rate as per Income tax Act, 1961	25.17%
3. Tax on accounting profit	26.00
4. Effect of tax adjustments	
(i) Tax on expenses:	
(a) Pre-incorporation expenses	0.10
(b) Interest on advance tax	0.16
(c) Depreciation impact	(0.02)
(ii) Deferred tax expenses / (income)	(0.02)
Total effect of tax adjustments	**0.22**
5. Income tax expense reported in the statement of profit and loss (3+4)	**26.22**
6. Effective tax rate 6 = 5/1	**25.39%**

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

Particulars	Statements of Profit and Loss 31-Mar-23	Balance Sheet 31-Mar-23
Pre-incorporation expense	(0.04)	0.04
Depreciation	0.02	(0.02)
Carry forward losses	-	-
Net deferred tax Assets/(Liabilities)	**(0.02)**	**0.02**

D) Reflected in the Balance Sheet as follows:

Particulars	As at 31st March, 2023
Deferred tax assets	0.04
Deferred tax liabilities	(0.02)
Deferred Tax Assets/(Liabilities) (Net)	**0.02**

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

As at 31.03.2023

Particulars	Balance As at 13th January 2022 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March 2023 (Net)
Pre-incorporation expense	-	0.04	-	0.04
Difference in Book depreciation and Income tax depreciation	-	(0.02)	-	(0.02)
Carry forward losses	-	-	-	-
Net deferred tax Assets/(Liabilities)	**-**	**0.02**	**-**	**0.02**

5 **Other Non-Current Financial Assets**

Particulars	As at 31st March, 2023
(Unsecured and considered good)	
Security Deposit	0.01
Total	**0.01**

RAVI RAMESH & ASSOCIATES Chartered Accountants FRN

IRCON HARIDWAR BYPASS LIMITED

Ircon Haridwar Bypass Limited
CIN:-U45209DL2022GOI392406

Notes to financial statements for the period from 13th January 2022 to 31st March 2023

(All amounts in Indian Rupees Lakhs unless otherwise stated)

6 **Current Assets - Financial Assets**

6.1 **Current Financial Assets - Cash and Cash Equivalents**

Particulars	As at 31st March, 2023
Balances with banks:	
Earmarked Funds	
- On current accounts	5.02
- Deposits with original maturity of less than 3 months	39.80
Total	**44.82**

6.2 **Current Assets - Other Financial Assets**

Particulars	As at 31st March, 2023
(Unsecured and considered good)	
Security Deposit	-
Contract Assets:	
Contract Assets under SCA	5,205.63
Intt Receivable from holding company	93.53
Total	**5,299.16**

7 **Current Tax Assets (Net)**

Particulars	As at 31st March, 2023
Taxes Paid including TDS and Advance Tax (Net of provision for tax)	0.03
Total	**0.03**

8 **Other Current Assets**

Particulars	As at 31st March, 2023
(Unsecured and considered good)	
Advances Recoverable from	
-Goods & Services Tax (GST)	927.62
Advances to contractors(Holding Co)	2,478.00
Prepaid Expenses	11.83
Total	**3,417.45**

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Ircon Haridwar Bypass Limited
CIN:-U45209DL2022GOI392406
Notes to financial statements for the period from 13th January 2022 to 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

9 **Equity Share Capital**

Particulars	As at 31st March, 2023
Authorised Share Capital 50,000 equity shares of Rs.10/- each	5.00
Issued, subscribed and fully paid-up shares 50,000 equity shares of Rs 10/- each	5.00
Total issued, subscribed and fully paid-up share capital	**5.00**

(a) Promoter's shareholding

Particulars	Shares held by Promoter at the end of the period			% change during the period
	Promoter Name	No. of shares	% of total shares	
As at 31st March, 2023	Ircon International Limited	50,000	100%	-
Outstanding at the end of the period		**50,000**	**100%**	-

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

Particulars	As at 31st March, 2023	
	No. of Shares	Amount in Lakhs
At the beginning of the period	-	-
Issued during the period	50,000.00	5.00
Outstanding at the end of the period	**50,000.00**	**5.00**

(c) Terms/ rights attached to equity shares
(i) Voting
The Company has only one class of equity shares having a par value of 10 per share. Each holder of equity share is entitled to one vote per share.
(ii) Liquidation
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
(iii) Dividend
The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

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

Particulars	As at 31st March, 2023	
	No. of Shares	% holding in the class
Equity Shares of Rs. 10 each fully paid Ircon International Limited and its nominees*	50000	100%

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

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

10 **Other Equity**

Particulars	As at 31st March, 2023
Retained Earnings	77.06
Quasi Equity (Loan From Ircon)	8,216.94
Total	**8,294.00**

i) **Movement as per below:**
Retained Earnings

Particulars	As at 31st March, 2023
Opening Balance	-
Transfer from surplus in statement of profit and loss	77.06
Closing Balance	77.06

ii) **Nature and Purpose:**
Retained Earnings
Retained Earnings represents the undistributed profits of the Company.
Quasi Equity
Quasi Equity represents equity contribution from the Holding Company in form of Interest free loan. The Company does not have any repayment obligation and are defined as "Equity" in the concession agreement with NHAI. Accordingly, these are considered to be in the nature of equity instruments.

RAVI RAJESH & ASSOCIATES
FRN 004305 N
NEW DELHI
Chartered Accountants

(All amounts in Indian Rupees Lakhs unless otherwise stated)

11 Current Liabilities - Financial Liabilities

11.1 Current Liabilities - Trade Payables

Particulars	As at 31st March, 2023
(a) Micro, Small and Medium Enterprises	0.31
(b) Other than Micro, Small and Medium Enterprises	
- Contractor & Supplier	30.29
- Related Parties	320.63
Total	351.23

Notes: -
i) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 32

Trade payables Ageing Schedule for the period ended as at 31st March 2023.

Particulars	Unbilled	Not due	Outstanding for the period ended as at 31st March, 2023 from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	0.14		0.17	-	-	-	0.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	30.00		320.92	-	-	-	350.92

11.2 Current Liabilities - Other Financial Liabilities

Particulars	As at 31st March, 2023
Unsecured	
Payable to Holding Company	6.58
Other payable (including staff payable)	-
Total	6.58

12 Other Current Liabilities

Particulars	As at 31st March, 2023
Others	
Statutory dues	105.00
Total	105.00

13 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2023
Provision for Income tax (Net of Advance tax & TDS)	-
Total	-

14.1 Revenue from operations

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Construction Contract Revenue under SCA (Refer Note No 29)	5,205.63
Total	5,205.63

14.2 Other Income

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Interest Income:	
Interest on mobilisation advances	103.92
Total	103.92

15 Project Expenses

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Work Expenses	5,099.84
Total	5,099.84

Ircon Haridwar Bypass Limited
CIN:-U45209DL2022GOI392406
Notes to financial statements for the period from 13th January 2022 to 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

16 Employee benefits expenses

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Salary & Wages	20.11
Contribution to Provident and other Funds	1.44
Retirement Benefits	3.24
Total	24.79

17 **Finance Cost**

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Interest Expense *	0.64
Other Borrowing Cost	
-Bank guarantee and other charges	8.60
Total	9.24

* It includes interest on income tax Rs. 0.64 **Lakhs.**

18 Other Expenses

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Inspection, Geo Technical Investigation & Survey Exp. Etc	30.00
Printing & Stationary expenses	0.06
Legal & Professional charges	5.87
Auditor Remuneration	0.48
Pre-incorporation expense	0.48
Rent	3.51
Insurance	30.78
Travelling & Conveyance	1.11
Miscellaneous Expenses	0.01
Total	**72.30**

(i) Payment to the Auditors

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Payment to the auditor's for	
- Statutory Audit Fee	0.25
- Tax Audit Fee	0.08
- Fee for Quarterly limited review	0.15
Total	**0.48**

19 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.

20 Disclosure as per Ind AS 19 on Employee benefits

The employees in Ircon Haridwar Bypass Limited are posted on nomination/ secondment basis from Ircon International Limited (Holding Company).

In terms of accounting policy of the Company (Note No. 2.2.8) and arrangement with the Holding Company, the provision for Retiremei Benefits such as provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits of nominated employe is being made by Holding company in terms of Ind AS-19. The amount paid or payable towards provident fund, pension, gratuity, po retirement medical benefits, Leaves and other terminal benefits to the holding company are included in "Employee Benefit Expenses" (Not 16).

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

21 Related Party Disclosures

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

a) **List of Related Parties**

(i) **Holding company**

Ircon International Limited

(ii) **Key Management Personnel (KMP)**

Non Executive Directors

Name	**Designation**
Shri Ashok Kumar Goyal (w.e.f. 13th January, 2022 to 10th October, 2022)	Director from Ircon
Shri Masood Ahmad (w.e.f. 13th January, 2022)	Director from Ircon
Shri Mugunthan Boju Gowda (w.e.f. 13th January, 2022)	Director from Ircon
Shri Devendra Kumar Sharma (w.e.f. 10th October 2022)	Director from Ircon

Remuneration to Key Management Personnel: Company had Part-time and Non Executive Directors during the financial year 2022-2 and 2021-22, nominated on the Board by the Holding Company, do not draw any remuneration from the Company. No sitting fee is pai to Part- time and Non Executive Directors.

b) **Transactions with other related parties are as follows:** **(Rs. in Lakhs**

Nature of transaction	**Name of related party**	**Nature of relationship**	**For the period fron 13th January 2022 (Date of incorporation) to 31st March 2023**
1) Reimbursement expenses	Ircon International Limited	Holding Company	6.2(
2) Rent Expense (inclusive of GST)			3.51
3) Investment in Equity Shares			5.0(
4) Works Contract			5,099.8
5) Loan from holding company- Quasi Equity			8,216.9
6) Moblization advance to Holding Co			2,478.0(
7) Interest Income on mobilisation advance			103.9

c) **Outstanding balances with the related parties are as follows:** **(Rs. in Lakhs**

Nature of transaction	**Name of related party**	**Nature of relationship**	**As at 31st March, 2023**
Balance Payable as on reporting date	Ircon International Limited	Holding Company	327.21
Outstanding Moblization advance to Holding Co (Including Interest Receivable on advance)			2,571.5

RAVI RAMESH & ASSOCIATES FRN 001305N NEW DELHI Chartered Accountants

d) Terms and conditions of transactions with related parties

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

(ii) Balances payable of related parties at the reporting date are unsecured and settlement occurs through banking transactions. These balance are interest free except mobilization advance on which interest is charged at rate of average of one year MCLR of top 5 Schedule commercial bank +1.25%

22 Earnings per share (EPS)

Disclosure as per Ind AS 33 'Earnings per share'

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

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

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

Particulars	Note	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Profit attributable to Equity holders (Rs. in lakhs)	(ii)	77.06
No.of equitty shares		50,000.00
Weighted average number of equity shares for Basic and Diluted EPS (In Numbers)	(iii)	50,000.00
Earnings per share (Basic)		154.12
Earnings per share (Diluted)		154.12
Face value per share		10.00

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

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Profit for the year as per Statement of Profit and Loss (Rs. in Lakhs)	77.06
Profit attributable to Equity holders of the company used for computing EPS (Rs. in Lakhs)	77.06

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

Particulars	For the period from 13th January 2022 (Date of incorporation) to 31st March 2023
Opening balance of issued equity shares	-
Equity shares issued during the period	50,000.00
Weighted average number of equity shares for computing Basic EPS	50,000.00
Dilution Effect:	
Add: Weighted average numbers of potential equity shares outstanding during the year	-
Weighted average number of equity shares for computing Diluted EPS	50,000.00

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

23 Impairment of Assets

During the period, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable valu and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accountin Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil has been provided for."

24 Provision, Contingencies and Commitments

(a) Provisions

No provisions provided during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

(b) Contingent liabilities

No Claims against the Company acknowledged as debts as on the reporting date as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

(c) Contingent assets

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

(d) Commitments

Capital- Estimated amount of contracts remaining to be executed on capital account (Net of advance) and not provided for is Nil.
Other: Contractor EPC Work remianing for execution on March 31,2023 Rs 73672.10 lakh

25 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 Chie Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The Board of Directors of the Company is the Chief Operatin Decision Maker (CODM). The Company is engaged in the business of infrastructure development in the state of Uttarakhand and the Chief Operating Decision Make (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 Inc 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

For the period ended March 31st, 2023, Revenue of **Rs. 5205.63 Lakhs** are derived from a single customer i.e. NHAI which is more than 10% of the Company's tota revenue.

26 Financial Risk Management

The Company's principal financial liabilities comprise trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations The Company's principal financial assets include receivables and cash and short-term deposits. The Company is exposed to the following risks from its use of financia instruments:

a) Credit risk,
b) Liquidity risk
c) Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk Management Framework

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

a) Credit Risk

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

Cash and cash equivalents

The cash and cash equivalents are held in public sector banks with strong credit ratings.

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

(i) Exposure to credit risk

(Rs. In Lakhs)

Particulars	31/Mar/2:
Financial Assets for which allowance is measured using life-time expected credit loss as per simplified approach	
Other Non current Financial Assets	0.01
Cash and Cash Equivalents	44.82
Other Current Financial Assets	5,299.16

(ii) Provision for expected credit losses

No impairment loss has been recognised during the reporting period.

(iii) Summary of loss allowance measured using simplified approach: -

(Rs. In Lakhs)

Particulars	31/Mar/2:
Opening Allowances	-
Provided for the period	-
Utilization for the period	-
Amount written off	-
Closing Allowances	-

b) Liquidity risk

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

The table below provides details regarding the significant financial liabilities as at 31 March 2023 (Rs. In Lakhs)

Particulars	As at 31st March, 2023		
	Less than 1 Year	1-2 Years	2 years and above
Trade Payables	351.23	-	-
Other Financial Liabilities	6.58	-	-

c) Market risk

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

(i) Foreign Currency risk

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

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reportin date the company is exposed to interest rate risk in respect of deposits with bank.

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

Particulars	31/Mar/23
Fixed rate Instrument	-
Financial Asset	**39.80**
Financial Liabilities	-
Floating rate Instrument	
Financial Asset	
Financial Liabilities	-
	39.80

27 Fair Value Measurements

a) Financial instruments by category

Particulars	As at 31st March, 2023		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets at Amortized Cost			
(i) Other Non current financial assets	-	-	0.01
(ii) Cash and cash equivalents	-	-	44.82
(iii) Other current financial assets	-	-	5,299.16
	-	-	**5,343.99**
Financial Liabilities at Amortized Cost			
(i) Trade Payables	-	-	351.23
(ii) Other financial liabilities	-	-	6.58
	-	-	**357.81**

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b) Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

c) Carrying value and Fair value of financial assets and liabilities as at 31st March 2023

Particulars	Carrying Value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
(i) Other Non current financial assets	0.01	-	-	0.01
(ii) Cash and cash equivalents	44.82	-	-	44.82
(iii) Other current financial assets	5,299.16	-	-	5,299.16
	5,343.99	-	-	**5,343.99**
Financial Liabilities at Amortized Cost				
(i) Trade Payables	351.23	-	-	351.23
(ii) Other financial liabilities	6.58	-	-	6.58
	357.81	-	-	**357.81**

The management assessed that fair value of cash and cash equivalents, trade payables, and other current financial assets / liabilities approximate their carrying amount largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument coul be exchanged in a current transaction between willing parties.

28 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 th 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. Th 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.

29 Revenue

A. Disaggregation of Revenue

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

Type of Product or Services	For the period from 13th January 2022 (Date of incorporation) to 31st March 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		
Highway	5,205.63	-	5,205.63	5,205.63	-	-	5,205.63
Total	**5,205.63**	-	**5,205.63**	**5,205.63**	-	-	**5,205.63**

The revenue of Rs 5205.63 Lakhs is recognised over a period of time.

B. Contract balances

Particulars	As at 31st March, 2023
Contract Assets (Note 6.2)	5,205.63
Contract liablity	-

i) 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 service transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as pe 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 t trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the period

Particulars	As at 31st March, 2023
Contract asset at the Beginning of the period	-
Contract asset at the end of the period	5,205.63
Net increase/(decrease)	**5,205.63**

For the period ended on 31.03.2023, there has been net increase of Rs. 5205.63 Lakhs due to recognition of revenue based on input method whereas bills for workdon are certified based on contract condition. There is no reclassification from unbilled revenue to trade receivables during the period.

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

Particulars	**As at 31st March, 2023**
Contract liabilities at the Beginning of the period	-
Contract liabilities at the end of the period	-
Net increase/(decrease)	-

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

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

D. **Cost to obtain the contract**

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

E. **Transaction price allocated to the remaining performance obligations**

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

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 year end are, as follows:

Particulars	**As at 31.03.2023**
Within one year	62,495.84
More than one year to 2 years	18,714.40
More than 2 years	29.17
Total	**81,239.41**

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

30 **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:

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

b) The Grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement. If both of the above conditions are met simultaneously, a financial asset is recognized to the extent that the operator has an unconditional contractual right to receive cash or other financial asset from or at the discretion of the Grantor for the service.

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

Ircon Haridwar Bypass Limited (IrconHBL) has entered into service concession arrangement with National Highway authority of India (NHAI) dated 8th March 2022 in terms of which NHAI (the grantor) has authorised the company to carry the business of upgradation & construction of four laning of Haridwar Bypass Package-I from Km. 0+000 (Km 188+100 of NH-58) to Km. 15+100 (Km 5+100 of NH-74) in the state of Uttarakhand on Hybrid Annuity Mode. In terms of the said agreement IrconHBL has an obligation to complete construction of the project of four laning of Haridwar Bypass section and to keep the project assets in proper working condition including all projects assets whose lives have expired. The Project is under Annuity pattern.

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

In case of material breach in terms of agreement the NHAI and IrconHBL 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. 5205.63 Lakhs under service concession agreement upto the period ended 31st March 2023 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 5205.63 Lakhs for the period ended on 31st March 2023 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 current Assets which it will receive as per terms of the contract based on the completion of milestone as on 31st March 2023.

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

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 amour considered in the financial statements up to the balance sheet date are as follows:-

Particulars	For the period from 13tl January 2022 (Date of incorporation) to 31st March 2023
Contract Revenue Recognized	5,205.6.
Aggregate amount of cost incurred	5,205.6.
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	
Gross amount due from Client for Contract Works	5,205.6.

31 Leases

a) **Company as a Lessee**

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

(ii) The Company has taken Office on lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for such leases.

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

Particulars	For the period from 13tl January 2022 (Date of incorporation) to 31st March 2023
Expense relating to short-term leases (Refer Note 18)	3.51

b) **Company as a Lessor**

Company has no leasing arrangement as a lessor.

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

S.No.	Particulars	As at 31st March, 2023
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	
	- Principal amount due to micro and small enterprises	-
	- Interest due on above	-
b)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-

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33 Corporate Social Responsibility

The Company is not covered under section 135 of the Companies Act, 2013 and no CSR expenditure has been incurred during the period.

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

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

35 Other Statutory Disclosures

The MCA vide notification dated 24th March 2021 has amended Schedule III to the Companies Act. 2013 in respect of certain disclosures which are applicable from 1st Apr 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 does not have Immovable properties hence the question of title deeds in the name of company does not arise.

(ii) The Company has not revalued its Property, Plant and Equipment during the year.

(iii) The Company does not have any Capital Work- in- Progress, Investment Property, Intangible Assets and Intangible Assets under Development as at 31st March, 202 and 31st March, 2022. During the year 2022-23 and 2021-22, the company has not revalued any of its Property,plant and equipment.

(iv) 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 period.

(v) The Company has not traded or invested in crypto currency or virtual currency during the period.

(vi) The Compnay do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(vii) The Company do not have any prior period errors to be disclosed separately in statement of changes in equity.

(viii) The Company do not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.

(ix) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding tha 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

(x) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the 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

(xi) The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties except the mobilization advance of Rs 2478.00 laks

(xii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

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

(xiv) The Company has not made any investment therefore compliance of number of layers prescribed under clause 87 of section 2 of the Act read with companies (restriction on number of layers) rules, 2017 is not applicable.

(xv) The Company has not entered into any scheme(s) of arrangements during the financial year.

(xvi) The Company does not have any transactions where the company has not used the borrowings from banks and financial institutions for the specific purpose for which i was taken at the balance sheet date.

(xvii) Company is not required to submit statement of current assets with the banks or financial institutions and therefore reconciliation of the statement filed by the compan with banks or financial institutions and the books of account is not applicable.

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(xviii) The following accounting ratios are disclosed: -

S.No	Particulars	Numerator	Denominator	March 31, 2023	% change	Reason for change more than 25%
a)	Current ratio	Current Assets	Current Liabilities	18.93	N.A*	N.A*
b)	Debt-equity ratio	Total Debt	Shareholder's Equity	0.00	N.A*	N.A*
c)	Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.00	N.A*	N.A*
d)	Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.01	N.A*	N.A*
e)	Inventory turnover ratio	Cost of goods sold	Average Inventory	0.00	N.A*	N.A*
f)	Trade receivables turnover ratio	Net credit sales= Gross credit sales- sales return	Average Trade Receivable	0.00	N.A*	N.A*
g)	Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	14.52	N.A*	N.A*
h)	Net capital turnover ratio	Net Sales = Total sales-sales return	Working capital = Current assets – Current liabilities	0.63	N.A*	N.A*
i)	Net profit ratio	Net Profit	Net Sales = Total sales-sales return	0.01	N.A*	N.A*
j)	Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.01	N.A*	N.A*
k)	Return on investment	Income generated from Investments (Finance Income)	Investment	0.00	N.A*	N.A*

** As the financial statements are prepared for the first time, the percent change in the ratio & reason for change does not apply.*

36 Covid -19 Disclosure

The Company has considered the possible effects that may result from Covid-19 in the preparation of its financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of Covid-19, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered.

The actual impact of this global health pandemic may be different from that which has been estimated, as the Covid- 19 situation evolves in India and globally. However, the Company will continue to closely monitor any material changes to future economic conditions.

37 Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time on March 31,2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules,2023 as below:

Ind AS1- Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is an annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Error - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that is does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

38 Other disclosures

(i) The Ircon Haridwar bypass limited was incorporated on 13th January 2022 as a wholly owned subsidiary of Ircon International Limited. This is the first financial statement for the period from 13th January 2022 to 31st March 2023 and hence, corresponding figures of the previous year are not provided.

(ii) The State Bank of India (SBI) has sanctioned the term loan of Rs. 447.61 crore however company has not availed loan as at 31.03.2023

(iii) The Company has a system of obtaining periodic confirmation of balances from banks and other parties.

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

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

As per our report of even date
For Ravi Ramesh & Associates
ICAI Firm Registration No. : 004306N
Chartered Accountants

CA Subhash Bansal
Partner
ICAI Membership No. : 085785
UDIN:
Place: New Delhi
Date : 12.05.2023

For and on behalf of the Board of Directors
Ircon Haridwar Bypass Limited

Maganathan Boju Gowda
Director
(DIN:-08517013)

Masood Ahmad
Director
(DIN:-09008553)

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

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

सत्यमेव जयते

संख्या: DGA/RC/AA-IHBL/78-26/2023-24/303 दिनांक:26.07.2023

सेवा में,

निदेशक,
इरकॉन हरिद्वार बाईपास लिमिटेड,
सी-4, जिला केंद्र, साकेत,
नई दिल्ली-110007

महोदय,

विषय: 13 जनवरी 2022 से 31 मार्च 2023 को समाप्त वर्ष के लिए इरकॉन हरिद्वार बाईपास लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ |

मैं, इरकॉन हरिद्वार बाईपास लिमिटेड के 13 जनवरी 2022 से 31 मार्च 2023 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ |

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

भवदीय,

संलग्न :यथोपरि

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 HARIDWAR BYPASS LIMITED FOR THE PERIOD FROM 13 JANUARY 2022 TO 31 MARCH 2023

The preparation of financial statements of **Ircon Haridwar Bypass Limited** for the period from 13 January 2022 to 31 March 2023 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 (7) 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 12 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of **Ircon Haridwar Bypass Limited** for the period from 13 January 2022 to 31 March 2023 under Section 143 (6)(a) of the Act.

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

Place: New Delhi
Dated: 18.07.2023

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

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('IrconHBL')

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