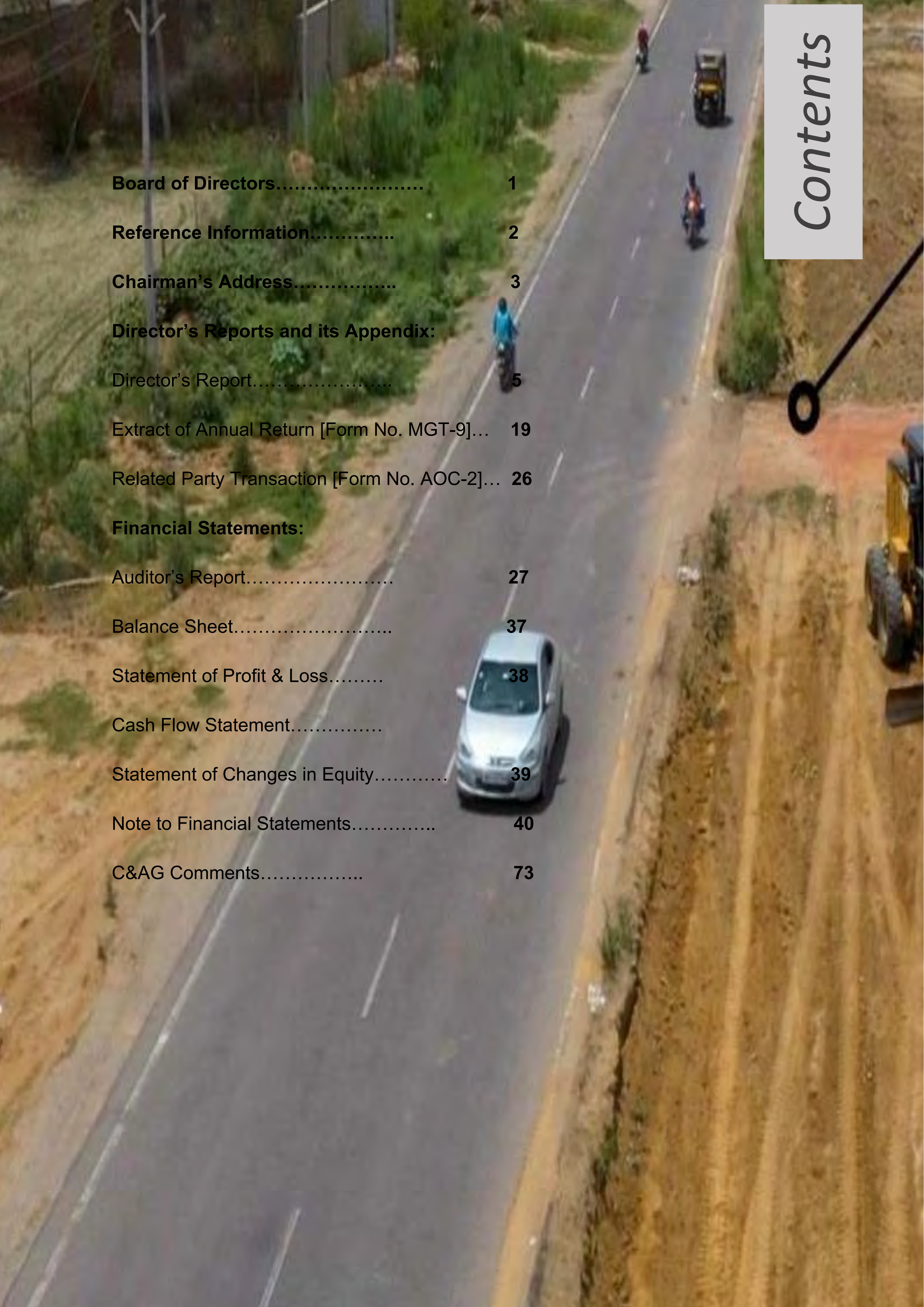
2022 Annual Report

Ircon Gurgaon Rewari Highway Limited

A Wholly owned subsidiary of Ircon International Limited

CIN: U45309DL2020GOI374941



Contents

Board of Directors……………………. 1

Reference Information………….. 2

Chairman's Address…………….. 3

Director's Reports and its Appendix:

Director's Report………………….. **5**

Extract of Annual Return [Form No. MGT-9]… **19**

Related Party Transaction [Form No. AOC-2]… **26**

Financial Statements:

Auditor's Report…………………… **27**

Balance Sheet…………………….. **37**

Statement of Profit & Loss……… **38**

Cash Flow Statement……………

Statement of Changes in Equity……….. **39**

Note to Financial Statements………….. **40**

C&AG Comments…………….. **73**

BOARD OF DIRECTORS

Shri Ashok Kumar Goyal
Chairman

Shri Parag Verma
Director

Shri B. Mugunthan
Director

Shri Masood Ahmad
Director

IRCON GURGAON REWARI HIGHWAY LIMITED

KEY MANAGERIAL PERSONNEL

Shri Deepak Kumar Garg	: Chief Executive Officer
Shri Alin Roy Choudhury	: Chief Financial Officer
Shri Ankit Jain	: Company Secretary

STATUTORY AUDITORS

M/s Rajan Malik & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s MM Associates,
Cost Accountants

BANKERS

Indian Overseas Bank, New Delhi

CONTACT PERSON

Shri Ankit Jain
Company Secretary
E-mail: ankit.jain@ircon.org

REGISTERED OFFICE

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

CHAIRMAN'S SPEECH

Dear Shareholders,

At the outset, please accept my sincere wishes for the good health and safety of you and your loved ones. I am delighted to welcome you all at the second (2nd) Annual General Meeting and I would like to thank each one of you for making it convenient for joining this meeting.

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

IrconGRHL, a wholly owned subsidiary of Ircon, has been incorporated as a Special Purpose Vehicle by Ircon International Limited ("IRCON")-its holding company, on 24th December, 2020. The main object of IrconGRHL is to carry on the business of "Upgrading of Gurgaon-Pataudi-Rewari section of NH-352W from km 43.87 (design length 46.11 km) as a feeder route on Hybrid Annuity Mode under Bharatmala Pariyojana in the State of Haryana, in accordance with the terms of concession agreement with National Highways Authority of India (NHAI). The Concession Period of the project is 15 years excluding construction period of 2 years from the Appointed Date.

The total project bid cost is ₹900 Crore plus escalation wherein 40% project cost is reimbursable by NHAI and 60% is funded by SPV. Your Company is accordingly funding project Construction Cost of ₹685 Crore out of which ₹412.90 Crore is to be financed by way of Equity & Debt in the ratio of 1:3. The Company has availed the term loan facility of ₹309.68 Crore from Indian Overseas Bank (IOB) on 25th June, 2021 for execution of project. However, loan is yet to be disbursed by IOB. Nominal amount of ₹20,000 has been disbursed by Bank.

Due to various constraints like Covid-19, as on 31st March, 2022, your company has achieved a total progress of 3.50% and financial progress of 2.65% of total scope covered in the Concession Agreement. As on 31st March, 2022, Net worth of your Company is ₹1839.94 lakhs; Total income/ (Loss) is NIL and Profit/loss after tax is ₹ (1.10) lakhs.

Compliances and Disclosures

Compliances and Disclosures under the Companies Act, 2013 and its associated rules there under are fully being adhered to. 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 to your company.

Memorandum of Understanding (MoU)

Your Company has requested for the exemption of signing of MoU with IRCON for the Financial Year 2022-23 in line with the DPE guidelines.

Acknowledgements

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

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

For and on behalf of
Ircon Gurgaon Rewari Highway Limited

Sd/-
Ashok Kumar Goyal
Chairman
DIN: 05308809

Date: 4th August, 2022
Place: New Delhi

DIRECTORS' REPORT

Dear Members,

The Directors have immense pleasure in presenting the **2nd Annual Report** together with the Audited Financial Statements of the Company for the year ended 31st March, 2022.

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

Ircon Gurgaon Rewari Highway Limited (IrconGRHL), a wholly owned subsidiary of Ircon International Limited (IRCON) incorporated on 24th December, 2020 as a Special Purpose Vehicle (SPV) for executing the project works in the State of Haryana by National Highways Authority of India (NHAI). The main object of IrconGRHL is to carry on the business of "Upgrading of Gurgaon-Pataudi-Rewari section of NH-352W from 0 km to 43.87 km (design length 46.11 km) as a feeder route on Hybrid Annuity Mode under Bharatmala Pariyojana in the State of Haryana, in accordance with the terms of concession agreement with NHAI.

The Concession Agreement has been signed with NHAI on 20th January, 2021. The Appointed Date fixed by NHAI is 24th November, 2021. The project is in construction phase and in process to achieve respective Milestones as per Contract provisions. The actual achieved progress was 3.50% only up to 31st March, 2022, quite less in comparative to planned progress.

The scheduled project Milestones may also be delayed on account of COVID-19. The request for extension of time for 104 days

(24th November, 2021 to 11th March, 2022) with rescheduling of project Milestones has submitted to the Independent Engineer with requisite documents.

FDD of Embankment Layer km 18.400 to 18.520 Km LHS

WMM laying in progress from Km 35.410 to Km 35.550 (RHS)

FDD of Embankment 1st Layer at Ch 20+850 Km

Kerb Laying in progress from Km 21.780 to Km 21.880 (RHS)

In terms of concession agreement, the total project bid cost is ₹900 Crore and first year O&M cost is ₹2.5 Crore. The 40% of the project bid cost shall be reimbursed by NHAI during construction and balance 60% is receivable after construction in the form of Annuity. The total Project cost of ₹900 Crore out of which ₹412.90 Crore is to be financed by way of Equity & Debt in the ratio of 1:3. Accordingly, the Company has availed the term loan facility of ₹309.68 Crore from Indian Overseas Bank ("IOB") on 25th June, 2021 for execution of Project. However, loan is yet to be disbursed by IOB. IRCON has been appointed as EPC Contractor for execution of said work.

2. FINANCIAL HIGHLIGHTS:

In pursuance of the provisions enumerated under Companies (Indian Accounting Standards) Rules, 2015, the Company, has prepared its annual financial statements for the Financial Year 2021-22 as per Indian Accounting Standards (IND AS).

Financial performance indicators as on 31st March 2022:

(Amount in ₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
1.	Equity Share Capital	5.0	5.0

2.	Other Equity (includes Reserves and Surplus)	1834.94	1.05
3.	Net worth	1839.94	6.05
4.	Borrowings	0.20	0
5.	Total Assets and Liabilities	2793.13	19.46
6.	Revenue from Operations	2467.52	12.93
7.	Other Income		
8.	**Total Income (6) + (7)**	**2467.52**	**12.93**
9.	Profit Before Tax	0	0
10.	**Profit/(Loss) After Tax**	**(1.11)**	**1.05**
11.	Net Cash flow	112.62	5.0

3. DIVIDEND & APPROPRIATION TO RESERVE:

The Board of Directors does not recommend any dividend for the financial year 2021-22.

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 ₹1839.94 Lakhs in Retained Earnings as on March 31, 2022.

4. SHARE CAPITAL/ DEMATERIALISATION:

The Authorized Share Capital and the Paid-up Share Capital of the Company as on 31st March 2022 is ₹4 Crore comprising of 4,00,000 Equity Shares of ₹10/- each and ₹0.05 Crore comprising of 50,000 Equity Shares of ₹10/- each respectively. During the year under review, there was no changes in the share capital of your Company and Ircon International Limited (IRCON) continues to hold 100% paid-up capital of the 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 total Cash Flows from the project activities during the year is ₹112.62 Lakh.

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

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

7. IMPACT OF COVID-19:

COVID-19, a global pandemic, has been the trending topic of the last two years, drastically impacting the economy and disrupting the lives of many people, businesses operating in numerous industries, financial markets and supply chains.

Amid COVID-19, the construction industry has been hit hard and is being challenged by many obstacles regarding contractual obligations, availability of resources, deliverables, health and safety measures, and project delays or cancellations. Due to this Pandemic & other factors for which the Company is not attributable, actual achieved progress is 3.50% which is quite less in comparative to planned progress. The scheduled project Milestones may also be delayed on account of said pandemic.

Subgrade 1st Layer Compaction in Progress at 25+500 Km

Subgrade Top Level checking in Progress 25+700

Subgrade Layer Compaction in Progress 25+600 km

Subgrade Layer Preparation in progress at Ch 25+800 Km

8. **BOARD OF DIRECTORS & KEY MANAGEMENT PERSONNEL:**

Board of DIRECTORS:

CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION DURING THE YEAR 2021-22

As per Articles of Association of the Company, the Board of the Company are appointed by the holding company, IRCON. During the Financial 2022, Company's management was headed by the following Non-Executive (Nominee) Directors.: -

Category, Name & Designation	DIN	Appointment or cessation (during the year, if any)
Shri Yogesh Kumar Misra, Chairman	07654014	Appointed as Director w.e.f. 13th May, 2021. Regularized at the 1st AGM held on 18th August, 2021. Ceased to be Director on 1st October, 2021.
Shri Masood Ahmad, Director	09008553	
Shri Mugunthan Boju Gowda, Director	08517013	
Shri Parag Verma, Director	05272169	Regularized at the 1st AGM held on 18th August, 2021.
Shri Shyam Lal Gupta, Chairman	07598920	Ceased to be Director on 13th May, 2021.

After the closure of the Financial Year, Shri Ashok Kumar Goyal (DIN: 05308809) appointed as Chairman of the Company w.e.f.1st October, 2021 vice Shri Yogesh Kumar Misra (DIN: 07654014). Shri Ashok Kumar Goyal was appointed as additional director and are proposed to be appointed to the office of Director at the ensuing 2nd Annual General Meeting of the Company (AGM). His appointment as Director by the Shareholders has been included in the notice of the ensuing AGM.

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

Key Managerial PERSONNEL:

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company during the Financial Year 2021-22 as follows:

Category, Name & Designation	Designation
Shri Deepak Kumar Garg	Chief Executive Officer
Smt. Preeti Shukla	Chief Financial Officer (upto 1st July, 2021)
Shri Alin Roy Choudhury	Chief Financial Officer (w.e.f. 1st July, 2021)
Shri Ankit Jain	Company Secretary

9. Board Meetings:

During the Financial Year 2021-22, the Board met five (5) times on 15th June, 2021, 19th July, 2021, 10th August, 2021, 8th November, 2021 and 8th February, 2022. The interval between the Board Meetings was within the period prescribed under the Companies Act, 2013. The attendance detail of the Board Meetings are as follows:

Date of The Meeting	Board Strength	No. of Directors Present
15th June, 2021	4	3
19th July, 2021	4	4
10th August, 2021	4	4
8th November, 2021	4	3
8th February, 2022	4	4

The table below shows attendance of the Board members at the Board Meetings held during the FY 2021-22 and their attendance in the last Annual General Meeting (AGM):

Name of Director	Meeting Date					Whether attended last AGM held on 18.08.2021	Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	15.06.2021	19.07.2021	10.08.2021	08.11.2021	08.02.2022				
Shri Shyam Lal Gupta (upto 13th May, 2021)	-	-	-	-	-	N.A.	0	0	Nil
Shri Yogesh Kumar Misra (upto 1st October, 2021)	✓	✓	✓	-	-	Y	3	3	100
Shri Mugunthan Boju Gowda	✓	✓	✓	✓	✓	Y	5	5	100
Shri Parag Verma	✓	✓	✓	✓	✓	Y	5	5	100
Shri Masood Ahmad	-	✓	✓	✓	✓	Y	5	4	80
Shri Ashok Kumar Goyal (w.e.f. 01st October, 2021)	-	-	-	-	✓	N.A.	2	1	50

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

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

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

Further, in terms of Department of Public Enterprises (DPE)'s OM dated July 8-10, 2014 read with OM dated 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 IrconGRHL.

11. **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 2022, 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 31st March, 2022 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.

12. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 is appended as **Annexure – 1** forming part of this report.

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

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

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

14. AUDITORS:

Statutory Auditor:

M/s Rajan Malik & Co., Chartered Accountants, New Delhi, had been appointed as Statutory Auditors, for the Financial Year 2021-22 vide CAG letter CA. V/COY/ Central Government, IGRHL(I)355 dated 19th August, 2021. They have confirmed by way of a written consent and certificate as required under Section 139(1) of the Companies Act, 2013.

Internal Auditor:

The Board of Directors appointed M/s., MM Associates, Cost Accountants as Internal Auditors for the FY 2021-22, to conduct the Internal Audit of the Company.

15. **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.

16. **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 – 2**".

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

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

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

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

A. Conservation of energy: -

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

B. Technology absorption: -

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

C. Foreign exchange earnings and Outgo: -

There was no Foreign Exchange Earnings and Foreign Exchange Outgo during the year 2021-22.

19. RISK MANAGEMENT:

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

20. CREDIT RATING:

During the FY 2021-22, CARE Ratings Limited has provided CARE AA-(CE) rating for the long-term bank facilities of Rs.310 Crore to your Company.

21. CORPORATE SOCIAL RESPONSIBILITY:

The requirement of constituting Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Companies Act, 2013 is not applicable to the Company.

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.

IrconGRHL 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.

In IrconGRHL employees are deputed by its holding company. However, one employee is appointed on the contractual basis.

23. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the company during the financial year 2021-22.

24. PUBLIC DEPOSITS:

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

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 (IND-AS) 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 FY 2021-22.

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

In exercise of powers conferred by section 9 of the Micro, Small and Medium Enterprise Development Act, 2006, the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than ₹500 Crore and all CPSEs shall be required to get themselves on-boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. The Registrar of Companies (RoC) in each State shall be the competent authority to monitor the compliance of such instructions and also the Department of Public Enterprises, Government of India shall be the competent authority to monitor the compliance of such instructions by the CPSEs. In compliance with the above instruction, the Company has boarded on the TReDS platform w.e.f. 31st January, 2022 to facilitate the financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date.

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

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

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

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:

During the Financial Year 2021-22, your company has not received any application under the Right to Information Act 2005.

31. PERFORMANCE EVALUATION OF BOARD MEMBERS:

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

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

Being a government company and a wholly-owned subsidiary of IRCON, 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.

32. SECRETARIAL STANDARDS

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

33. STATUTORY AUDITORS' REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for Financial Year 2021-22 with NIL observation are attached separately as part of the Annual Report along with NIL comments from Comptroller & Auditor General (C&AG) of India for the Financial Year 2021-22.

34. 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.

35. MEMORANDUM OF UNDERSTANDING (MoU):

Your Company has requested for the exemption of signing of MoU with IRCON for the Financial Year 2022-23 in line with the DPE MoU guidelines.

36. ACKNOWLEDGEMENT:

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

We thank our Contractors, Sub-contractors, Bankers, Comptroller & Auditor General of India, Auditors 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 Gurgaon Rewari Highway Limited

Sd/-
Ashok Kumar Goyal
Chairman
DIN: 05308809

Date: 4th August, 2022
Place: New Delhi

ANNEXURE – 1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2022

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	**U45309DL2020GOI374941**
2.	Registration Date	**24th December, 2020**
3.	Name of the Company	**Ircon Gurgaon Rewari Highway Limited**
4.	a) Category b) Sub-category of the Company	**Public Company** **Government Company (Wholly-owned Subsidiary Company of Ircon International Limited)**
5.	Address of the Registered office & contact details	**C-4, District Centre, Saket, New Delhi -110017** **Ph. No.011-26530266** **Email Id: cosecy@ircon.org**
6.	Whether Listed Company (Yes/No)	**No**
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**NIL**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of Main Products / Services	NIC Code of the Products/Services	% to Total Turnover of the Company
1.	Rendering Services in the nature of upgrading of Gurgaon-Pataudi-Rewari section of NH-352W from km 43.87 (design length 46.11 km) Construction Services: Highway Project (Through EPC Contractor)	42101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
1	Ircon International Limited	L45203DL1976GOI008171	Holding Company	100% *	Sec 2(46)

* 100% Shares held by Ircon International Limited (IRCON) and its 6 nominees.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	**No. of Shares held at the beginning of the year, [As on 24th December, 2020]**				**No. of Shares held at the end of the year [As on 31-March-2021]**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.**#**	Nil	50000	50000	100%	Nil	50000	50000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	
(2) Foreign	-	-	-	-	-	-	-	-	
Total Shareholding of Promoters (A)	**Nil**	**50000**	**50000**	**100%**	**Nil**	**50000**	**50000**	**100%**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-

ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**Nil**	**50000**	**50000**	**100%**	**Nil**	**50000**	**50000**	**100%**	**-**

Bodies Corporate: 100% Shareholding is with Body Corporate – Ircon International Limited and its 6 Nominees.

B) SHAREHOLDING OF PROMOTERS:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year, as on 31st March 2022 *			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	%of Shares Pledged / encumbered to Total Shares	
1	Ircon International Limited	50000	100%	Nil	50000	100%	Nil	0.00%
	Total	**50000**	**100%**	**Nil**	**50000**	**100%**	**Nil**	**0.00%**

* **Shareholding of Promoters**: Company is wholly-owned subsidiary of Ircon International Limited – with 50,000 Equity Shares of ₹10/- each i.e. Entire Shareholding held by Indian Promoters. The other 6 shareholders are holding shares **"for and on behalf of Ircon International Limited".**

* 100 shares held by Shri Mukesh Kumar Singh, nominee shareholder on behalf of IRCON were transferred to Shri Parag Verma, nominee shareholder on behalf of IRCON.

* 100 shares held by Shri Yogesh Kumar Misra, nominee shareholder on behalf of IRCON were transferred to Shri Surender Singh nominee shareholder on behalf of IRCON.

C) CHANGE IN PROMOTERS' SHAREHOLDING:

SN	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the Beginning of the Year	NOT APPLICABLE			
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / (decrease) (e.g. allotment /transfer / bonus/ sweat equity etc.):				
3.	At the End of the Year				

D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS:
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	At the Beginning of the Year	NOT APPLICABLE			
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3.	At the End of the Year				

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shareholding of Each Director(s) and Each Key Managerial Personnel $	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year as on 31st March 2021	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the Beginning of the Year	-			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
At the End of the Year				

$ 100 Equity Shares of ₹10 each are held by, Shri. Ashok Kumar Goyal, Shri Masood Ahmad, Shri B. Mugunthan Directors, Ms. Ritu Arora, Shri Parag Verma and Shri Surender Singh "For and on behalf of Ircon International Limited"

F) INDEBTEDNESS - **Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	20,000	18,35,00,000	-	18,35,20,000
* Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	20,000	18,35,00,000	-	18,35,20,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	20,000	18,35,00,000	-	18,35,20,000

*Unsecured loan of ₹18.35 Crore in form of quasi equity is from holding company Ircon International Limited.

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary	NOT APPLICABLE	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify…		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. REMUNERATION TO OTHER DIRECTORS:

SN.	Particulars of Remuneration @	Name of Directors	Total Amount
1	Independent Directors	NOT APPLICABLE	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2) $		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

@ All the Part-time Directors during the financial year 2021-22 are nominated on the Board by the holding company; do not draw any remuneration from the Company. No sitting fee is paid to the Part-time Directors.

C.REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MD/MANAGER/WTD):

(Amount in ₹)

S.No.	Particulars of Remuneration	Key Managerial Personnel				
		Shri Deepak Kumar Garg, CEO	**Ms. Preeti Shukla, CFO (upto 1st July, 2021)**	**Shri Alin Roy Choudhury, CFO (w.e.f. 1st July, 2021)**	**Shri Ankit Jain, CS**	**Total**
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,95,130	-	6,72,147	2,30,390	11,97,667
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	others, specify…	-	-	-	-	-
	Total	2,95,130	-	6,72,147	2,30,390	11,97,667

- Salary of KMPs Charged from February, 2022 onwards.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL*				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL*				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL*				
Punishment					
Compounding					

*NIL Penalties have been levied on Company or its Directors or Other Officers and as such no punishments have been awarded with zero applications being made by any of the Company Representatives for Compounding of Offences under the Companies Act, 2013 or other applicable laws and regulations.

For and on behalf of Board of Directors
of Ircon Gurgaon Rewari Highway Limited

Sd/-
Ashok Kumar Goyal
Chairman
DIN: 05308809

Date: 4th August, 2022
Place: New Delhi

ANNEXURE - 2

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for the financial year 2021-22

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

Sr. No.	Nature of contracts or arrangements or transactions	Duration of the contracts or arrangements or transactions	Salient terms of the Contracts or Arrangements or Transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	**EPC Agreement** (For Appointing Ircon International Limited as EPC Contractor for execution of project works of "upgrading of Gurgaon-Pataudi-Rewari section of NH-352W from km 43.87 (design length 46.11 km) "	Estimated Duration 24 Months (Period for Construction by EPC Contractor)	The Contract has been awarded to IRCON for a consideration of ₹606.54 Crore exclusive GST @ 12%.	03rd Board Meeting held on 26th February, 2021	NIL (As on Date)
2.	**Lease Agreement** (To take on lease the Office Premises of IRCON)	(25th December, 2020 to 31st March, 2023)	Lease Agreement executed on 18th February, 2021 for rent @ ` ₹31,171/- p.m. plus GST	1st Board Meeting held on 28th December, 2022	NIL (As on Date)

For and on behalf of Board of Directors
of Ircon Gurgaon Rewari Highway Limited

Sd/-
Ashok Kumar Goyal
Chairman
DIN: 05308809

Date: 4th August, 2022
Place: New Delhi

Independent Auditor's Report

To the Members of

Ircon Gurgaon Rewari Highway Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the Ind AS financial statements of **Ircon Gurgaon Rewari Highway Limited** ("the Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity the statement of cash flows for the year ended 31st March 2022, and the notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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, 2022, the profit and loss and other comprehensive income, changes in equity and its cash flows for the for the year ended 31st March 2022.

Basis for Opinion

We conducted our audit 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

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

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

RAJAN MALIK & CO. NOIDA U.P.

Responsibilities of Management for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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.

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), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) Being a government company, provision of section 164(2) of the Act is not applicable pursuant to the notification No. G.S.R.463 (E) dated 5th June 2015, issued by the Central Government of India.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

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

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed pending litigations and the impact on its financial position - refer note no. 19 to the Financial Statements.

ii. The Company did not have any long-term contracts including 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 it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any persons or entities, including foreign entities ("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; and

c. Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) contain any material mis-statement.

d. The company has not declared or paid dividend during the year.

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
A	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.	The Company had initially utilized Tally for the maintenance of books of accounts & has subsequently migrated to SAP accounting software to process all accounting transactions.

RAJAN MALIK & CO. NOIDA

B	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).	There is no 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.
C	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,	No funds have been received from Central/State Government or its agencies.

For Rajan Malik & Co.
Chartered Accountants
ICAI Firm Reg. No: 019859N

RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

Vijay Kumar Chaurasia
(Partner)
ICAI Membership No.: - 521879

Place: - Noida
Date: - May 17th 2022
UDIN: -22521879AJDOXS1274

Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

i. The company has no Property Plant & Equipment or intangible assets during the year ended March 31, 2022. Hence the provisions of clause i of the order are not applicable to the Company. Further, as represented by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the benami transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

(a) The Company does not have any inventories during the reporting year. Hence reporting under this sub-clause of the order is not applicable to the Company.

(b) The company has not been sanctioned working capital limits at any point of time during the year and hence reporting under this sub - clause is not applicable.

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, hence, reporting under sub clauses (a) to (f) of clauses iii of the order is not applicable to the Company

iv. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not given/made any loans, investments, guarantees, and security to any party covered under section 185 of the Companies Act, 2013. Further, the company being a company involved in providing infrastructural facilities is exempt from the requirements of Section 186 of Companies Act 2013. Hence, reporting under clause iv in respect of Section 186 is not applicable to the Company

v. According to the information and explanations given to us, and as per our examination of records, the Company has not accepted any deposits or amounts deemed to be deposits from the public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable.

vi. The Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013.

vii.

a) According to the records of the company, undisputed statutory dues including Goods and Service Tax, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.

RAJAN MALIK & CO. CHARTERED ACCOUNTANTS

b) According to the records of the company and the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

viii. The company has not surrendered or disclosed as Income any transactions not recorded in the books of account during the year in the tax assessments under the Income Tax Act 1961 (43 of 1961).

ix.

(a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.
(b) The company is not declared a willful defaulter by any bank or financial institution or their lender.
(c) The term loans were applied for the purpose, for which the loans were obtained.
(d) The company has not raised any funds on short term basis and hence reporting under this sub - clause is not applicable.
(e) The company does not have any investment in subsidiaries, associates or joint ventures and hence reporting under this sub - clause is not applicable.
(f) The company does not have any investment in subsidiaries, associates or joint ventures and hence reporting under this sub - clause is not applicable.

x.

a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi.

(a) According to the information and explanations given to us, 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.
(b) No fraud was noticed during the year and hence reporting under subsection 12 of Section 143 is not applicable.
(c) As represented by the management, no whistleblower complaints were received during the year by the company.

xii. The company is not a Nidhi Company. Therefore, reporting under sub clauses (a to c) of clause xii of the order are not applicable to the company.

xiii. According to the records of the company and the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

RAJAN MALIK & CO. CHARTERED ACCOUNTANTS

xiv.

(a) The company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the internal auditors for the year under audit were considered by us for our reporting.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under sub- clauses (a to d) of clause (xvii) of the order are not applicable.

xvii. The company has not incurred cash losses in the financial year ended March 31, 2022 or in the immediately preceding financial year.

xviii. There has not been any resignation of the statutory auditors during the year. Therefore, clause (xix) of the order is not applicable.

xix. On the basis of the financial ratios , ageing and expected dates of realisation of financial assets and payment of financial liabilities , other information accompanying the financial statements, the auditors knowledge of the board of directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. The company has not exceeded the limits prescribed under section 135 of the companies act 2013 since its incorporation and hence the company is not required to transfer any amount to any fund specified in schedule vii of the companies act 2013

xxi. The company has not prepared consolidated financial statement. Therefore, reporting under clause xxi of the order is not applicable.

For Rajan Malik & Co.
Chartered Accountants
ICAI Firm Reg. No: 019859N

Vijay Kumar Chaurasia
(Partner)
ICAI Membership No.: - 521879

Place: - Noida
Date: - May 17th 2022
UDIN: -22521879AJDOXS1274

Annexure 'B'

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

We have audited the internal financial controls over financial reporting of Ircon Gurgaon Rewari Highway Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended 31st March 2022.

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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

RAJAN MALIK & CO. NOIDA CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2022, 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 Rajan Malik & Co.
Chartered Accountants
ICAI Firm Reg. No: 019859N

RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

Vijay Kumar Chaurasia
(Partner)
ICAI Membership No.: - 521879

Place: - Noida
Date: - May 17th 2022
UDIN: -22521879AJDOXS1274

Ircon Gurgaon Rewari Highway Limited
CIN:-U45309DL2020GOI374941
Balance Sheet as at 31st March, 2022
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Deferred tax assets (net)	3	1.02	1.05
Other Non Current Assets	4	0.36	-
	Total	**1.38**	**1.05**
Current assets			
Financial assets	5		
Cash and cash equivalents	5 (a)	112.62	5.00
Other current financials assets	5 (b)	2,480.46	12.93
Other current assets	6	198.67	0.48
	Total	**2,791.75**	**18.41**
	Grand Total	**2,793.13**	**19.46**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	5.00	5.00
Other equity		1,834.94	1.05
	Total	**1,839.94**	**6.05**
Liabilities			
Non- Current liabilities			
Financial liabilities			
Borrowing	8	0.20	-
Current liabilities			
Financial liabilities	9		
Trade payables	9 (a)		
Total Outstanding dues of Micro and small enterprises		-	-
Total Outstanding dues of creditors other than Micro and small enterprises		877.63	13.41
Other financial liabilities	9 (b)	0.04	-
Other Current Liabilities	9 (c)	75.32	-
	Total	**953.19**	**13.41**
	Grand Total	**2,793.13**	**19.46**

Summary of significant accounting policies 2
The accompanying notes are an Integral part of the financial statements. 1-31

As per our report of even date
For Rajan Malik & Co.
Chartered Accountants
ICAI Firm Registration No. :-019859N

Vijay Kumar Chaurasia
Partner
ICAI Membership No.:-521879

Place : NOIDA
Date : 17/05/2022

For and on behalf of the Board of Directors of
Ircon Gurgaon Rewari Highway Limited

Masood Ahmad Najar
(Director)
(DIN: 09008553)

Mugunthan Boju Gowda
(Director)
(DIN:-08517013)

Alin Roy Choudhury
(Chief Finance Officer)

Deepak Kumar Garg
(Chief Executive Officer)

Ankit Jain
(Company Secretary)
(Membership No.:35053)

Place : New Delhi
Date :

Ircon Gurgaon Rewari Highway Limited
CIN:-U45309DL2020GOI374941
Statement of profit and loss for the year ended 31st March 2022
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Notes	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
REVENUE			
Revenue from operations (net)	10	2,467.52	12.93
	Total (A)	**2,467.52**	**12.93**
EXPENSES			
Project Expenses	11	2,442.24	7.91
Employee Benefit Expense	12	18.31	-
Finance cost	13	0.23	3.51
Other Expenses	14	6.74	1.51
	Total (B)	**2,467.52**	**12.93**
Profit/(Loss) before tax	**(A-B)**	**0.00**	**-**
Tax expenses			
- Deferred tax			-
For Earlier years			
- Current tax	3	1.08	-
- Deferred tax	3	0.03	(1.05)
Profit/(Loss) for the year		**(1.11)**	**1.05**
Other Comprehensive Income/(Loss)			
Other comprehensive income/(Loss) not to be reclassified to profit or loss in subsequent periods :		-	-
Other Comprehensive income/(loss) for the year (net of tax)		-	-
Total Comprehensive income/(loss) for the year		**(1.11)**	**1.05**
Earnings per equity share	-		
Basic and Diluted		**(2.21)**	**2.09**

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements. 1-31

As per our report of even date
For Rajan Malik & Co.
Chartered Accountants
ICAI Firm Registration No. :-019859N

Vijay Kumar Chaurasia
Partner
ICAI Membership No.:-521879

Place : NOIDA
Date : 17/05/2022

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Ankit Jain
(Company Secretary)
(Membership No.:35053

Place : New Delhi
Date :

Ircon Gurgaon Rewari Highway Limited
CIN:-U45309DL2020GOI374941

Cash Flow Statement for the year ended March 31, 2022

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
Cash flow from operating activities		
Profit before tax		-
-Interest Expenses	0.23	
Operating profit before working capital changes	**0.23**	**-**
Movements in working capital:		
-Increase/(decrease) in trade payables	864.22	13.41
-Increase/(decrease) in other current financial liabilities	0.04	-
-Increase/(decrease) in other current liabilities	75.32	-
-Increase/(decrease) in other current financial assets	(2,467.52)	(12.93)
-Decrease/(increase) in other assets	(198.55)	(0.48)
	(1,726.27)	**(0.00)**
Less: Taxes Paid	1.08	-
Net Cash flow from/(used in) operating activities (A)	**(1,727.34)**	**(0.00)**
Net cash flow from/(used in) investing activities (B)	**-**	**-**
Cash flow from financing activities		
-Issue of Equity Share	-	5.00
- Issue of Deemed Equity Instruments	1,835.00	-
-Interest Paid	(0.23)	-
-Loans Taken/(Repaid)	0.20	-
Net cash flow from/(used in) in financing activities (C)	**1,834.97**	**5.00**
Net increase/(decrease) in cash and cash equivalents (A + B +C)	107.62	5.00
-Cash and cash equivalents at the beginning of the year	5.00	-
Cash and cash equivalents at the end of the year	**112.62**	**5.00**
Components of cash and cash equivalents		
-Cash on hand	-	-
-In current account	1.24	5.00
-In escrow accounts*	111.38	-
Total cash and cash equivalents	**112.62**	**5.00**

1) Figures in brackets indicate cash outflow

2) The above Cash flow statement 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)* Escrow account are restricted primarily on account of balance held for use in project as required in the Service Concession Agreement entered by the company with the Natianal Highway Authority of India Dated 20.01.2020.

Summary of significant accounting policies	2
The accompanying notes are an integral part of the financial statements.	1-31

As per our report of even date
For Rajan Malik & Co.
Chartered Accountants
ICAI Firm Registration No. :-019859N

Vijay Kumar Chaurasia
Partner
ICAI Membership No.:-521879

For and on behalf of the Board of Directors of
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Deepak Kumar Garg
(Chief Executive Officer)

Ankit Jain
(Company Secretary)
(Membership No.:35053)

Place : NOIDA
Date : 17/05/2022

Place : New Delhi
Date :

rcon Gurgaon Rewari Highway Limited
CIN:-U45309DL2020GOI374941
Statement of changes in equity for the year ended 31st March, 2022
(All amounts in Indian Rupees Lakhs unless otherwise stated)

(a)

Equity Share Capital	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	5.00	-
Add : Issue of equity share capital	-	5.00
Closing Balance	**5.00**	**5.00**

(b)i) **Other Equity**

Particulars	Reserves and Surplus		
	Retained earnings	Deemed Equity Instrument *	Total
As at December 24, 2020	-	-	-
Total profit for the period	1.05	-	**1.05**
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	**1.05**	-	**1.05**
			-
As at 31st March, 2021	**1.05**	-	**1.05**
As at 1st April, 2021	**1.05**	-	**1.05**
Total profit for the year	(1.11)	-	**(1.11)**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**(1.11)**	-	**(1.11)**
Interest free loan from holding company*	-	1,835.00	**1,835.00**
As at 31st March 2022	**(0.06)**	**1,835.00**	**1,834.94**

*Represents Interest Free Loans/quasi equity received from the holding company in lieu of the planned equity investment repayable at the end of the project and accounted as Equity Instruments in terms of "Ind AS 32: Financial Instruments: Presentation"

Summary of significant accounting policies 2
The accompanying notes are an Integral part of the financial statements. 1-31

As per our report of even date
For Rajan Malik & Co
Chartered Accountants
ICAI Firm Registration No. :-019859N

Vijay Kumar Chaurasia
Partner
ICAI Membership No.:-521879

Place : NOIDA
Date : 17/05/2022

For and on behalf of the Board of Directors of
Ircon Gurgaon Rewari Highway Limited

Masood Ahmad Najar
(Director)
(DIN: 09008553)

Mugunthan Boju Gowda
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(DIN:-08517013)

Alin Roy Choudhury
(Chief Finance Officer)

Deepak Kumar Garg
(Chief Executive Officer)

Ankit Jain
(Company Secretary)
(Membership No.:35053)

Place : New Delhi
Date :

1. Corporate Information

Ircon Gurgaon Rewari highway Limited (IrconGRHL) is a wholly owned subsidiary of Ircon International Limited (IRCON), public sector construction company domiciled in India. IrconGRHL (CIN U45309DL2020GOI374941) 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 of Gurgaon-Pataudi-Rewari section of NH-352from Km 0.00 to Km 43.87 (design length46.11Km) as feeder route on Hybrid annuity mode under Bharatmala Pariyojna in the State of Harayana" in accordance with the terms and conditions in the Concession Agreement by National Highway Authority of India (NHAI). In pursuant to the provisions of "Request for Proposal", the selected bidder 'IRCON' has formed a Special Purpose Vehicle (SPV) named Ircon Gurgan Rewari Highway limited as wholly owned subsidiary of IRCON, incorporated on 24.12.2020. Accordingly, IrconGRHL has signed the Concession Agreement with NHAI on 20.01.2021 for the project value amounting to Rs 900 Crore. The Concession period is 730 days commencing from Appointed Date i.e. 24.11.2021. 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 lakh, by rounding off upto two decimals except for per share data and as otherwise stated.

The financial statement are approved for issue by the company's Board of Directors in their meeting held on 17.05.2022.

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 a liability for at least twelve months after the reporting period

RAJAN MALIK & CO. CHARTERED ACCOUNTANTS

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 settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 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 is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013.

Particulars	Useful lives (Years)
Building/flats residential/non-residential	60
Plant and Machinery	8-15
Survey instruments	10
Computers	3-6
Office Equipment's	5 – 10
Furniture and fixtures	10
Caravans, Camps and temporary shed	3-5
Vehicles	8-10

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.

Capital work in progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost less accumulated impairment loss, if any.

Intangible assets

Recognition and initial measurement

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets underdevelopment"

Subsequent measurement and amortization

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Software cost up to Rs. 1 Lakhs in each case is fully amortized in the period of purchase, by keeping Rs. 1 as token value for identification.

The cost of capitalized software is amortized over a period 36 months from the date of its acquisition.

Amortization on additions to/deductions from Intangible Assets during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted prospectively, if appropriate.

Derecognition
An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds if any and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

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 Inventories

Inventories (including scrap) are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably.

CHARTERED ACCOUNTANTS

The initial contract expenses on new projects for mobilization are recognized as construction work-in-progress in the year of incidence, and pro rata charged to statement of profit and loss of the project over the period at the same percentage as the stage of completion of the contract as at the end of reporting period. Site mobilization expenditure to the extent not written off valued at cost.

In Cost Plus contracts, where the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (a) above.

Loose tools are expensed in the period of purchase.

2.2.5 Revenue recognition

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.

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

Company combines 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 parties i.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 recognised 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 over time, 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.

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.

a) 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 recognised 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).
- 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 recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

b) 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.

2.2.6 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 capitalised 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.

2.2.7 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.

2.2.8 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

The Post-employment benefits & other long term Employee Benefits are considered as per the guidelines of Ircon International Limited, the Holding Company, for the employees on the deputation from the Holding Company. And there are no post-employment benefits to the contractual employees.

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.

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

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.

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.

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.

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.

a) **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

CHARTERED ACCOUNTANTS

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

RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

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

NOIDA U.P. CHARTERED ACCOUNTANTS

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.

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. Accordingly, the Company has identified one reporting segments i.e., Domestic.

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. Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations by Ircon International Limited. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexities involved in

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the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. 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.

d. 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.

e. 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.

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.

f. 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.

g. 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.

h. Leases - Estimating the incremental borrowing rate

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The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

i. 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.

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).

j. Revenue recognition

The Company's revenue recognition policy, is central to how the Company values the work it has carried out in each financial year.

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

There are several long term and complex projects where the Company has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

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

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

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

Revenue and costs in respect of contracts are recognized by reference to the stage of completion of the contract activity at the end of reporting period, measured based on proportion of contract costs incurred for work performed to the date relative to the estimated total contract costs, where this would not be representative of stage of completion. Variations in contract work and claims are included to the extent that amount can be measured reliably, and receipt is considered probable. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

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CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees Lakhs unless otherwise stated)

3 Income Tax recognised in profit and loss account

(a) The major components of income tax expense for the years ended 31 March 2022 are:

Particulars	**For the Year Ended 31st March 2022**	**For the Period Ended 31st March 2021**
Current tax		
a) Current income tax charge	-	-
b) Adjustemnt in respect of current tax of previous year	1.08	
Deferred Tax		
a) In respect of current year origination and reversal of temporary differences	0.03	(1.05)
Income tax expense recognised during the year	**1.11**	**(1.05)**

b) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Particulars	**For the Year Ended 31st March 2022**	**For the Period Ended 31st March 2021**
Profit/(Loss) before tax	0.00	-
Tax on accounting profit	0.00	-
Effect on Tax Adjustments:	-	-
Disallowances under Income Tax Act 1961	0.06	-
Income Tax expense relating to Prior Period	1.08	-
Expected tax rates	-	-
Tax effect on deffered tax	(0.03)	-
Timing Difference	-	-
Pre-incorporation expense	-	(1.05)
	1.11	(1.05)
Income tax expense reported in the statement of profit and loss	1.11	(1.05)
Applicable tax rate	25%	25%

c) Component of deferred tax assets and (liabilities) in Balance Sheet and Profit & Loss Account - 31st March 2022

Particulars	**Balance Sheet 31st March 2022**	**Statement of Profit and Loss 31st March 2022**
Pre-incorporation expense	0.81	0.24
Losses under Income Tax Act, 1961 Carried forward	0.21	(0.21)
	-	-
Deferred tax	**1.02**	**0.03**

Component of deferred tax assets and (liabilities) in Balance Sheet and Profit & Loss Account - 31st March 2021

Particulars	**Balance Sheet 31st March 2021**	**Statements of Profit and Loss 31st March 2021**
Pre-incorporation expense	1.05	(1.05)
Deferred tax	**1.05**	**(1.05)**

RAJAN MALIK & CO. * CHARTERED ACCOUNTANTS * N.D.

(All amounts in Indian Rupees Lakhs unless otherwise stated)

d) Reconciliation of Deferred tax Assets as on March 31, 2022:

Particulars	Balance as at 1st April 2021	Recognised in the statement of Profit and Loss	Balance as at 31st March 2022
Pre-incorporation expense	1.05	0.24	0.81
Carry Forward Losses	-	(0.21)	0.21
Total Deferred Tax Assets	**1.05**	**0.03**	**1.02**

Reconciliation of Deferred tax Assets as on March 31, 2021:

Particulars	Balance as at 1st April 2020	Recognised in the statement of Profit and Loss	Balance as at 31st March 2022
Pre-incorporation expense	-	(1.05)	1.05
Total Deferred Tax Assets	**-**	**(1.05)**	**1.05**

e) Bifurcation of Deferred Tax into Assets and Liabilities

Particulars	At at March 31, 2022	As at March 31, 2021
Deferred Tax Assets	1.02	1.05
Deferred Tax Liabilities	-	-
	1.02	**1.05**

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RAJAN MALIK & CO. * NOIDA U.P. * CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees Lakhs unless otherwise stated)

4 Other Non Current Assets

Particulars		As at 31st March, 2022	As at 31st March, 2021
Prepaid Expense		0.36	-
	Total	**0.36**	**-**

5 Financial Assets

5 (a) Cash and cash equivalents

Particulars		As at 31st March, 2022	As at 31st March, 2021
Balances with banks			
-In current accounts		1.24	5.00
-In escrow accounts*		111.38	-
	Total	**112.62**	**5.00**

* Escrow account are restricted primarily on account of balance held for use in project as required in the Service Concession Agreement entered by the company with the Natianal Highway Authority of India Dated 20.01.2020.

5 (b) Other current financials assets

Particulars		As at 31st March, 2022	As at 31st March, 2021
(Unsecured and considered Good)			
Contract Assets			
Billable Revenue but not due (Refer note 23B)		2,480.46	12.93
	Total	**2,480.46**	**12.93**

6 Other Current Assets

Particulars		As at 31st March, 2022	As at 31st March, 2021
(Unsecured and considered Good)			
Prepaid Expenses		8.79	-
Balances with revenue authorities			
-Goods and service tax		189.88	0.48
	Total	**198.67**	**0.48**

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RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

7 Share capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised shares capital		
40,00,000 equity shares of Rs 10/- each	400.00	400.00
	-	-
Issued, subscribed and fully paid-up shares		
50,000 equity shares of Rs.10/- each	5.00	5.00
Total issued, subscribed and fully paid-up share capital	**5.00**	**5.00**

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

Particulars	No. of Shares		Amount in Lakhs	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
At the beginning of the year	50,000	-	5.00	-
Issued during the year	-	50,000	-	5.00
Outstanding at the end of the year	**50,000**	**50,000**	**5.00**	**5.00**

(b) 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.

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

Particulars	No. of Shares		% holding in the class	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of Rs. 10 each fully paid				
IRCON International Limited	50,000*	50,000*	100%	100%

*including 600 equity shares held by nominee shareholders on behalf of the holding company.
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

(d) Holding Co. M/S Ircon International Limited is public sector construction company, holding 100% Equity Share of the company.

(e) Disclosure of Shareholding of Promoters

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	% of Total Share	No. of Shares	% of Total Shares	
Ircon International Limited	50,000	100%	50,000	100%	-

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RAJAN MALIK & CO. * NOIDA U.P. * CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees Lakhs unless otherwise stated)

8 Non Current Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Term Loans From Banks		
Secured		
Term Loan from Indian Overseas Bank*	0.20	
Total	**0.20**	**-**

* As on the reporting date there is no default in the servicing of the term loan or the interest thereto. Further, the company has registered the charge on its assets with the Registrar of Companies as required under the loan sanction and as per the provisions of Companies Act 2013.Also companies has not filed any quaretly return / statements of asset as the same was not required by bank.

Repayment terms: The loan is repayable in 21 structured half yearly instalments in 10.5 years starting from 1st April 2024 with the last installment scheduled on 30th September 2034

Rate of Interest: Interest rate shall be at 1 Year MCLR (6.85%) +0.15% Spread i.e 7.00% p.a. presently subject to change from time to time.

Details of security:

1) Term Loan is backed by unconditional & irrevocable corporate guarantee of the holding company M/s Ircon International Limited

2) The loan is further secured by

a) Exclusive charges by way of hypothecation of all Property, Plant and Equipment/ movable assets of the company

b) Exclusive charge on the project's book debts,operating cash flows, receivables, commission, revenues of whatsoever nature and wherever arising,present and future intangibles, goodwill , uncalled capital (Present and future);

c)Exclusive charge on projects bank account,including but not limited to the escrow account ,where all cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the bank/ investors

d) Assignment of all company's rights and interest under all the agreements related to project, letter of credit(if any), and guarantee and performance bond provided by any party for any contract related to the project in favor of lender;

e) Borrower has to maintain DSRA equivalent to ensuing one half yearly installemnt and three month interest payment to created upfront upon COD in the form of term deposit / BG.

9 (a) Trade payables (refer note - 24)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Outstanding dues of Micro and small enterprises	-	-
Total Outstanding dues of creditors other than Micro and small enterprises	877.63	13.41
Total	**877.63**	**13.41**

Trade Payable Ageing Schedule as at March 31, 2022

Particulars	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	836.59	-	41.04	-	-	-	877.63
Disputed dues MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-

Trade Payable Ageing Schedule as at March 31, 2021

Particulars	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	-	-	13.41	-	-	-	13.41
Disputed dues MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-

9 (b) Other financial liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Expenses payable	0.04	
Total	**0.04**	**-**

9(C) Other Current Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues payable	75.32	-
Total	**75.32**	**-**

RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

10 Revenue from operations (Net) (Refer Note 23)

Particulars	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
Revenue from operation(net)		
Contract revenue	2,467.52	12.93
Total	**2,467.52**	**12.93**

11 Project Expenses

Particulars	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
Construction Expenses	2,389.07	-
Insurance Expenses	16.15	-
Legal and Professional Expenses	37.02	2.57
Pre Incorporation Exp	-	5.34
Total	**2,442.24**	**7.91**

12 Employee Benefit Expense

Particulars	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
Salaries and Wages*	16.68	-
Contribution to Provident and other funds	0.15	-
Other Benefit**	1.47	
Total	**18.31**	**-**

* Includes salaries paid to employees on Deputation from Holding Company
** Represent reimbursement of Employer Contribution to Provident Fund on Man Power under Deputation

13 Finance cost

Particulars	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
Interest Expense*	0.20	-
Bank Guarantee Commission	0.03	3.51
Total	**0.23**	**3.51**

*Include interest on income-tax Rs.0.19 lakh/-

14 Other Expenses

Particulars	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
Payment to Statutory Auditors	0.76	0.21
Payment to Internal Auditors	0.15	-
Advertisement Expenses	0.82	-
Bank Charges	0.09	-
Office and Other Expenses	0.35	0.17
Printing and Stationary	0.04	-
Rent Expense	4.53	1.13
Total	**6.74**	**1.51**

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RAJAN MALIK & CO. ★ CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees Lakhs unless otherwise stated)

15 Fair Value Instruments

(i) Category wise classification of Financial Instruments

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

The carrying values and fair values of financial instruments by categories as at 31st March, 2022 are as follows:

Particulars	Carrying value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
Cash and cash equivalents	112.62	-	-	112.62
Other current financials assets	2,480.46	-	-	2,480.46
	2,593.08	**-**	**-**	**2,593.08**
Financial Liabilities at Amortized Cost				
Borrowing	0.20			0.20
Trade payables	877.63	-	-	877.63
Other financial liabilities	0.04	-	-	0.04
	877.66	**-**	**-**	**877.66**

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2021 are as follows:

Particulars	Carrying value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
Cash and cash equivalents	5.00	-	-	5.00
Other current financials assets	12.93	-	-	12.93
	17.93	-	-	17.93
Financial Liabilities at Amortized Cost				
Trade payables	13.41	-	-	13.41
Other financial liabilities	-			-
	13.41	-	-	13.41

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

16 Capital Management

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

RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees Lakhs unless otherwise stated)

17 Financial risk management objectives

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk. The Company's risk management is carried out by Finance & Accounts department under policies approved by the Board of Directors. The Board supervises overall risk management, as well as policies covering specific areas, such as liquidity risk.

a) Liquidity risk

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

The table below provides details regarding the significant financial liabilities are as below

Particulars	As at 31st March 2021		
	< 1 Year	>1 Year	Total
Trade Payable	13.41	-	13.41
Other Financial Liability	-	-	-
Total	**13.41**	**-**	**13.41**

Particulars	As at 31st March 2022			
	Unbilled	< 1 Year	>1 Year	Total
Borrowing		-	0.20	0.20
Trade Payable	836.59	41.04	-	877.63
Other Financial Liability		0.04	-	0.04
Total	**836.59**	**41.07**	**0.20**	**877.86**

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RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees Lakhs unless otherwise stated)

18 Additional Information

Particulars	For the Year Ended 31st March 2022	For the Period Ended 31st March 2021
A) Payment to Auditor fees		
Statutory Audit fee	0.40	0.21
Tax Audit	0.12	-
Limited Review	0.24	-

19 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 value 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 Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil (Nil) has been provided for."

20 Leases

a) Company as a Lessee

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

Particulars	For the Year Ended 31st March 2022	For the Period ended 31st March 2021
Expense relating to short-term leases	4.53	1.13

b) Company as lessor

Company has no leasing arrangement as a lessor.

21 Related Parties Disclosures

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

a) List of Related Parties

(i) Holding company

Ircon International Limited

(ii) (A) Key Management Personnel (KMP)

Name	Designation
Shri Ashok Kumar Goyal (From 01/10/2021)	Director
Shri Parag Verma (From 17/02/2021)	Director
Shri Masood Ahmad Najar(From 24/12/2020)	Director
Shri Mugunthan Boju Gowda (From 24/12/2020)	Director
Shri Deepak Garg (From 17/03/2022)	Chief Executive Officer
Shri Ain Roy Choudhury (From 01/07/2021)	Chief Financial Officer
Ms Preeti Shukla (Till 30/06/2021)	Chief Financial Officer
Shri Ankit Jain (From 17/03/2021)	Company Secretary

b) Transactions with other related parties are as follows:

Nature of transaction	Name of related party	Nature of relationship	For the Year Ended 31st March 2022	For the period ended 31st March 2021
1) Reimbursement expenses	Ircon International Limited	Holding Company	10.85	0.00
2) Rent Expense	Ircon International Limited		4.53	1.13
3) Investment in Equity Shares	Ircon International Limited		-	5.00
4) Investment through Equity Instruments	Ircon International Limited		1,835.00	-
5) Work Subcontract	Ircon International Limited		2,389.07	-
6) Remuneration under deputation	Shri Deepak Garg	Key Management Personnel	2.95	-
7) Remuneration under deputation	Shri Ain Roy Choudhury	Key Management Personnel	6.72	-
8) Remuneration under deputation	Shri Ankit Jain	Key Management Personnel	2.30	-

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

Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2022	As at 31st March, 2021
Balance Payable as on reporting date	Ircon International Limited	Holding Company	843.11	12.82

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) Outstanding balances of related parties at the year-end are unsecured and settlement occurs through banking transactions. These balances other than loans and interest bearing advances are interest free.

(iii) The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

22 Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

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

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

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

Particulars	Note	For the Year Ended 31st March 2022	For the period ended 31st March 2021
Profit attributable to Equity holders (Rs. in lakhs)	(ii)	(1.11)	1.05
No.of equity shares	(iii)	50,000	50,000
Earnings per share (Basic)		(2.21)	2.09
Earnings per share (Diluted)		(2.21)	2.09
Face value per share		10.00	10.00

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

Particulars	For the Year Ended 31st March 2022	For the period ended 31st March 2021
Profit for the year as per Statement of Profit and Loss	(1.11)	1.05
Profit attributable to Equity holders of the company used for computing EPS:	(1.11)	1.05

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

Particulars	For the Year Ended 31st March 2022	For the period ended 31st March 2021
Opening balance of issued equity shares	50,000	-
Equity shares issued during the year	-	50,000
Weighted average number of equity shares for computing Basic EPS	50,000	50,000
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	50,000	50,000

23 Additional Regulatory Information

Ratio	Numerator	Denominator	For the Year Ended 31st March 2022	For the period ended 31st March 2021
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.93	1.37
Debt-Equity Ratio (in times)	Total Debt	Shareholders Equity	0.00	-
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	0.00	N.A
Return on Equity	Net Profit after Taxes	Average Shareholder's Equity	(0.00)	0.21
Trade receivables turnover ratio (in times)	Revenue	Average Trade Receivables	N.A	N.A
Trade payables turnover ratio (in times)	Purchases of services and other expenses	Average Trade Payables	5.50	1.40
Net capital turnover ratio (in times)	Revenue	Working Capital	1.33	2.58
Net Profit Ratio (in %)	Net Profit	Revenue	(0.00)	0.08
Return on capital employed (in %)	Earning before interest and tax	Capital Employed	0.00	0.70
Return on investment (in %)	Income generated from investments	Time weighted average investments	N.A	N.A

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RAJAN MALIK & CO. U.P. CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees Lakhs unless otherwise stated)

24 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:

For the Year ended March 31, 2022

Type of Product or Services	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic	Foreign	Total	Input Method	Output Method		
Highway	2,467.52	-	2,467.52	2,467.52	-	-	2,467.52
Total	2,467.52	-	2,467.52	2,467.52	-	-	2,467.52

For the year ended March 31, 2021

Type of Product or Services	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic	Foreign	Total	Input Method	Output Method		
Highway	12.93	-	12.93	12.93	-	-	12.93
Total	12.93	-	12.93	12.93	-	-	12.93

B. Contract balances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract Assets	2,480.46	12.93

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 services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the year

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract asset at the Beginning of the year	12.93	-
Contract asset at the end of the year	2,480.46	12.93
Net increase/(decrease)	**2,467.52**	**12.93**

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.

The Company is in the early stages of fulfilling its contractual obligation and hence is not able to reasonably measure the outcome of the performance obligation. The entity has thus recognised revenue only to the extent of the costs incurred that it reasonably expects to recover untill such time that it can reasonably measure the outcome of the performance obligation in terms of Para 45 of Ind As 115 Revenue from Contracts with Customers.

24.1 Service Concession Arrangements

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

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

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

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

RAJAN MALIK & CO. U.P. CHARTERED ACCOUNTANTS

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 Gurgon Rewari Highway Limited (IGRHL) has entered into service concession arrangement with National Highway Authority of India (NHAI) dated 20th January 2021 in terms of which NHAI (the grantor) has authorized the company for upgradation of Gurgaon pataudi Rewari section of NH-352W from Km 0.00 to Km 43.87 (design length 46.11 km) as a feeder route on Hybrid annuity mode under Bharatmala Pariyojana in the state of Haryana . In terms of the said agreement IGRHL has an obligation to complete construction of the project of four/six laning road. The Project is under Hybrid Annuity Model.

The Concession period shall be 17 years commencing from the appointed 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 IrconGRHL have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.
The company has recognized receivable of Rs. 2,480.46 Lakhs (PY. 12.93 Lakhs) 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 2022

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

Rs in Lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract Revenue Recognized	2,480.46	12.93
Aggregate amount of cost incurred	2,480.46	12.93
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	2,480.46	12.93

25 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	NIL	NIL
b) Principal amount due to micro and small enterprises	NIL	NIL
c) Interest due on above	NIL	NIL
d) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	NIL	NIL
f) The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
g) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	NIL	NIL

RAJAN MALIK & CO. NOIDA U.P. CHARTERED ACCOUNTANTS

26 Corporate Social Responsibility

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

27 Disclosure pursuant to section 186 of the Companies Act 2013:
The company being a company involved in providing infrastructural facilities is exempt from the requirements of Section 186 of Companies Act 2013. Hence, disclosure under Section 186(4) is not applicable to the Company

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

i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the Financial Year.

ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the Financial Year

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

iv) Financial impact of change in the accounting policy is Nil on the books of the Company and the Company do not have any prior period errors

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

vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

viii) The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties.

ix) The Company has not entered in any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

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

xi) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

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

xiii) 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 it was taken at the balance sheet date

xiv) The Company do not have any title deeds of immovable properties not held in name of the company.

xv) The company has not received any grant or donation.

29 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.

30 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. These amendments are applicable to the Company for the financial year starting 1st April, 2022. The Company will evaluate the impact of these amendments to ensure compliance with the law.

31 Other Notes

1) The company is incorporated on 24th December 2020 as wholly owned subsidiary of Ircon International Limited. Ircon Gurgaon Rewari Highway Limited has entered in to service concession arrangement on 20th January 2021 with National Highway authority of India (NHAI) in term of which NHAI (Authority) has authorised the company to augment the existing road from Km 0.000 to Km43.87 (approximately 46.11km)on the Gurgaon-Pataudi-Rewari section of National Highway No. 352 (NH-352)in the state of Haryana by Four /six laning thereof (the project) on design , build ,operate and transfer (the "Hybrid annuity") basis, which shall be partly financed by the concessionaire who shall recover its investment and costs through payments to be made by the authority , in accordance with the term and conditions as set forth in service concession agreement.

Company had applied for loan amounting to Rs. 30,968 Lakhs which has been approved on 23rd April 2021 and sanctioned vide letter dated 12th May 2021 by Indian Overseas Bank. Company has submitted all the document related to financial closure. Financial closure has been noted by NHAI on 25.06.2021 as informed through their letter no. NHA1/11033/HAM/CGM (FA)/FC/Gur-Pat/2020-21/158, Dated: 30-07-2021.

IGRHL has awarded the above mentioned work to IRCON International Limited at a fixed cost of 60,605.4 Lakhs +GST@12% . The Ircon International Limited till date raised three IPCs i.e Rs.2,389 Lakhs i.e. 3.5% of the the total work.

2) Operating segment : The company is engaged in business of development maintenance and management of NH-352 in the state of Haryana on HAM model, since company has single business and geographical segment hence no relevant disclosure given in financial statement

3) The Previous year figures are from the period 24th December 2020 to 31st March 2021 and hence the previous year figures are not comparable to that extent

4) Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. These reclassifications have no effect on the reported results of the operations.

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

As per our report of even date
For Rajan Malik & Co.
Chartered Accountants
ICAI Firm Registration No. :-019859N

Vijay Kumar Chaurasia
Partner
ICAI Membership No.:-521879

Place: Noida
Date: 17/05/2022

For and on behalf of the Board of Directors of
Ircon Gurgaon Rewari Highway Limited

Masood Ahmad Najar
(Director)
(DIN: 09008553)

Mugunthan Boju Gowda
(Director)
(DIN:-08517013)

Alin Roy Choudhury
(Chief Finance Officer)

Deepak Kumar Garg
(Chief Executive Officer)

Ankit Jain
(Company Secretary)
(Membership No.:35053)

Place : New Delhi
Date :

भारतीय लेखापरीक्षा एवं लेखा विभाग
प्रधान निदेशक लेखापरीक्षा का कार्यालय
रेलवे वाणिज्यक ,नई दिल्ली
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
RAILWAY COMMERCIAL, NEW DELHI
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest
4, दीनदयाल उपाध्याय मार्ग, नई दिल्ली 4, Deen Dayal Upadhyaya Marg, New Delhi-110002
सत्यमेव जयते

संख्या/पी.डी.ए/आर.सी /IGRHL/AA/48-22/2022-23/२२२ दिनांक:02.08.2022

सेवा में,

निदेशक,
इरकॉन गुडगाँव रेवाड़ी हाईवे लिमिटेड,
सी-4, डिस्ट्रिक्ट सेंटर, साकेत,
नई दिल्ली -110017.

महोदय,

विषय: **31** मार्च **2022** को समाप्त वर्ष के लिए इरकॉन गुडगाँव रेवाड़ी हाईवे लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम **2013** की धारा **143 (6) (b)** के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ |

मैं इरकॉन गुडगाँव रेवाड़ी हाईवे लिमिटेड के **31** मार्च **2022** 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,

संग्लंक: यथोपरी

विक्रम डी. मुरुगराज
02.08.2022
विक्रम डी. मुरुगराज
प्रधान निदेशक (रेलवे वाणिज्यिक)

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 GURGAON REWARI HIGHWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of **Ircon Gurgaon Rewari Highway Limited** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Ircon Gurgaon Rewari Highway Limited** for the year ended 31 March 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

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

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

Vikram D. Murugaraj
02.08.2022

Vikram D. Murugaraj
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 02.08.2022

IRCON GURGAON REWARI HIGHWAY LIMITED

<u>Registered & Corporate Office:</u>

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

Tel.: + 91 11 26530266 | Fax: + 91-11-26522000, 26854000

E-mail id: ankit.jain@ircon.org