ANNUAL REPORT

2022-23

IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED

(A Wholly owned subsidiary of Ircon International Limited)

CIN: U45309DL2021GOI391629

AKLOLI-SHIRSAD PROJECT PHOTOGRAPHS

CONTENTS OF ANNUAL REPORT OF
IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED (IrconASEL)
FOR THE FINANCIAL YEAR 2022-23

COMPANY PROJECT

Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity Mode (HAM) under Bharatmala Pariyojana (Phase II-Package XIV)

BOARD OF DIRECTORS

Mr. Parag Verma, Chairman

Mr. Devendra Kumar Sharma, Director

Mr. B. Mugunthan, Director

Mr. Masood Ahmad, Director

STATUTORY AUDITOR

M/s. Rajendra K Goel & Co.,

Chartered Accountant

EPC CONTRACTOR TO COMPANY

Ircon International Limited

CONTACT PERSON

Ms. Shivi Kapoor

Compliance Officer

Email id: cospv.ircon@gmail.com

RESGISTERED OFFICE

C-4, District Centre,

Saket, New Delhi-110017

BOARD OF DIRECTORS

Mr. Parag Verma
Chairman

Mr. Devendra Kumar Sharma
Director

Mr. B. Mugunthan
Director

Mr. Masood Ahmad
Director

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to welcome you all on behalf of the esteemed members of the Board to the Second (2nd) Annual General Meeting (AGM) of Ircon Akloli-Shirsad Expressway Limited (IrconASEL). The Directors' Report and the Audited Financial Statements for the Financial Year ended on 31st March, 2023, are already with you and with your kind permission, I take them as read. I would like to express my sincere gratitude for making it convenient for attending the AGM.

Ircon International Limited ("IRCON") has been awarded the work of construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) ('the Project') in the State of Maharashtra on Hybrid Annuity Mode (HAM) by National Highway Authority of India (NHAI). In terms of condition stipulated in Letter of Award issued by NHAI, IRCON has incorporated your Company as its wholly-owned subsidiary and a Special Purpose Vehicle for execution of the Project.

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

IrconASEL has entered into Concession Agreement with NHAI on 27th January, 2022 and the concession period of the project comprises of construction period 548 days from the appointed date (10th November 2022) and operation period of 15 years commencing from Commercial Operation Date (COD).

As per Concession Agreement, the Bid Project Cost is Rs.1,124.00 crore plus GST (excluding escalation). The 40% of the project bid cost shall be reimbursed by NHAI during construction phase and balance 60% will be receivable after construction in the form of Annuity. The company will finance the cost of project by way of debt of Rs.686.37 crore & equity of Rs.171.59 crore. In respect of debt, Bank of Baroda (BOB) has sanctioned the term loan of Rs.686.37 crore. As on date, Bank of Baroda (BOB) has disbursed the term loan of Rs.32.70 crore and total equity of Rs.55.88 crore has been infused by Ircon international Limited.

IRCON has been appointed as EPC Contractor for execution of the project work including O&M for five (05) years at EPC price of Rs.1060.23 crore plus applicable GST. Presently, the construction activities have started from the appointed date of 10th November 2022 and the works are progressing on the available front.

Compliances and Disclosures

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

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

Acknowledgements

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

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

For and on behalf of Board of Directors
of Ircon Akloli-Shirsad Expressway Limited

Sd/-
Parag Verma
Chairman
DIN: 05272169

Date:04.08.2023
Place: New Delhi

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the **02nd Annual Report of Ircon Akloli-Shirsad Expressway Limited (IrconASEL)** together with the Audited Financial Statements of the Company and Auditor's Report for the Financial Year ended on 31st March, 2023.

1. **<u>BUSINESS OPERATIONAL HIGHLIGHTS: PRESENT STATE OF COMPANY'S AFFAIRS:</u>**

Ircon Akloli-Shirsad Expressway Limited (IrconASEL), a wholly owned subsidiary of Ircon International Limited (IRCON) was incorporated on 23rd December, 2021 as a Special Purpose Vehicle (SPV) with the main object to carry the business of Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) ('the Project') in the State of Maharashtra on Hybrid Annuity Mode (HAM) under Bharatmala Pariyojana (Phase II-Package XIV), in accordance with the Concession Agreement with National Highway Authority of India (NHAI).

IrconASEL has entered into Concession Agreement with NHAI on 27th January, 2022 and the concession period of the project comprises of construction period of 548 days from the appointed date and operation period of 15 years commencing from Commercial Operation Date (COD). IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

As per Concession Agreement, the Bid Project Cost is Rs.1,124.00 crore plus GST(excluding escalation). The 40% of the project bid cost shall be reimbursed by NHAI during construction phase and balance 60% will be receivable after construction in the form of Annuity. The company will finance the cost of project by way of debt of Rs.686.37 crore & equity of Rs.171.59 crore. In respect of debt, Bank of Baroda (BOB) has sanctioned the term loan of Rs.686.37 crore. During the financial year, Bank of Baroda (BOB) has disbursed the term loan of Rs.30.70 crore and total equity of Rs.51.49 crore has been infused by Ircon international Limited.

IRCON has been appointed as EPC Contractor for execution of the project work including O&M for five (05) years at EPC price of Rs.1060.23 crore plus applicable GST. Presently, the construction activities have started from the appointed date of 10th November 2022 and the works are progressing on the available front.

2. **<u>FINANCIAL HIGHLIGHTS:</u>**

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 2022-23 as per Indian Accounting Standards (IND AS).

Financial performance indicators as on 31st March 2023:

(Rs. in lakh)

Sl. No.	Particulars	For the Year Ended 31.03.2023	For the period from 23.12.2021 to 31.03.2022
1.	Equity Share Capital	5.00	5.00
2.	Other Equity (includes Reserves and Surplus)	5,175.33	(0.06)
3.	Net Worth	5,180.33	4.94
4.	Borrowings (including current maturities)	3,070.00	-
5.	**Total Assets and Liabilities**	12,773.12	10.74
6.	Revenue from Operations	6,542.20	1.74
7.	Other Income	42.43	-
8.	**Total Income (7) + (8)**	**6,584.63**	**1.74**
9.	**Profit Before Tax**	**42.06**	**-**
10.	**Profit After Tax**	**31.39**	**(0.06)**
11.	Earnings Per Equity Share (on face value of Rs.10/- per share) (i) Basic (ii) Diluted	 62.78 62.78	 (0.12) (0.12)

3. DIVIDEND & APPROPRIATION TO RESERVE:

The Board of Directors does not recommend any dividend for the financial year 2022-23.

As per the applicability of Ind AS, Reserves are reflected as Retained Earnings under the head "Other Equity" in Financial Statements and your Company has a balance of Rs.31.33 Lakhs in Retained Earnings as on 31st March 2023.

4. SHARE CAPITAL/ DEMATERIALISATION:

Your Company was incorporated with an Authorized Share Capital and the Paid-up Share Capital of the Company of Rs.5 Lakh comprising of 50,000 Equity Shares of Rs.10/- each. Ircon International Limited (IRCON) hold 100% of the paid-up share capital of IrconASEL. During the financial year ended on 31st March, 2023, there was no change in the share capital of your Company, and Ircon International Limited (IRCON) continues to hold 100% paid-up share capital of IrconASEL.

After closure of the Financial Year 2022-23, the Company has increased its Authorized Share Capital from Rs.5 lakh to Rs.17.50 crore and Paid-up Share Capital from Rs.5 lakh to 4.34 crore.

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

5. CASH FLOWS FROM THE PROJECT:

The Company is having a negative Cash Flows from operating activities of Rs.8212.01 lakh for the financial year ended 31st March 2023.

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

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

7. BOARD OF DIRECTORS & KEY MANAGEMENT PERSONNEL:

Board of Directors:

CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION DURING THE YEAR 2022-23

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

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

Category, Name & Designation	DIN	Date of Appointment or Change in designation (during the year, if any)
Mr. Parag Verma, Chairman	05272169	Re-designated as Chairman on 10.10.2022
Mr. Devendra Kumar Sharma	08556821	Appointed as Additional Part-time Director on 10.10.2022
Mr. B. Mugunthan, Director	08517013	-
Mr. Masood Ahmad, Director	09008553	-

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

IRCON had re-designated Mr. Parag Verma, Director (Works), IRCON, as Chairman in IrconASEL w.e.f. 10th October 2022.

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

In accordance with the provisions of Section 152(6) the Companies Act, 2013, all Directors of the Company shall be liable to retire by rotation at the Annual General Meeting of your Company. Mr. Parag Verma, Mr. B. Mugunthan and Mr. Masood Ahmad being the First Directors of the Company appointed on the same date i.e. 23rd December, 2021 and Mr. Parag Verma shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment as Director and his brief resume is annexed to the Notice of the Annual General Meeting.

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

Key Management Personnel (KMP):

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

8. BOARD MEETINGS:

During the period under review, the Board met six (6) times on 17.05.2022, 22.07.2022, 04.08.2022, 25.08.2022, 03.11.2022 and 31.01.2023. The interval between the two Board Meetings were within the period prescribed under the Companies Act, 2013. The attendance detail of the Board Meetings is as follows:

Date of The Meeting	Board Strength	No. of Directors Present
17.05.2022	4	4
22.07.2022	4	4
04.08.2022	4	3
25.08.2022	4	3
03.11.2022	4	4
31.01.2023	4	4

The table below shows attendance of the Board members at the Board Meetings held during the period under review and their attendance in the last Annual General Meeting (AGM):

Name of Directors	Meeting Date						Whether attended last AGM	Total Board Meeting entitled to attend during FY 2022-23	No. of Board Meetings attended during FY 2022-23	% of Attendance
	17.05.2022	22.07.2022	04.08.2022	25.08.2022	03.11.2022	31.01.2023				
Mr. Ashok Kumar Goyal	✓	✓	✓	✓	-	-	**Yes**	**4**	**4**	**100**

Mr. Parag Verma	✓	✓	×	✓	✓	✓	**Yes**	**6**	**5**	**83.33**
Mr. Devendra Kumar Sharma	**-**	**-**	**-**	**-**	✓	✓	**N.A.**	**2**	**2**	**100**
Mr. B. Mugunthan	✓	✓	✓	✓	✓	✓	**No**	**6**	**6**	**100**
Mr. Masood Ahmad	✓	✓	✓	×	✓	✓	**Yes**	**6**	**5**	**83.33**

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

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

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

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

10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

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

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

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

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

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

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

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

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

12. STATUTORY AUDITORS:

M/s Rajendra K Goel & Co., Chartered Accountants, had been appointed as Statutory Auditors, for the Financial Year 2022-23 vide CAG letter No./CA.V/COY/ DELHI,IRASEL(1)/570 dated 31st August, 2022. They have confirmed by way of a written consent and certificate as required under Section 139(1) of the Companies Act, 2013.

13. STATUTORY AUDITORS' REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for the Financial Year 2022-23 with nil observation are attached separately as part of the Annual Report along with Non-Review Certificate received from Comptroller & Auditor General (C&AG) of India for the financial year 2022-23.

14. COST RECORDS

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

15. SECRETARIAL AUDIT REPORT

The requirement of obtaining a Secretarial Audit Report under Section 204 of the Companies Act, 2013 from the practicing company secretary is not applicable to the Company during the financial year 2022-23.

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

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

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year 2022-23, 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 –A.**

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

No material changes and commitments have occurred which affect the financial position of the Company between the end of the financial year and the date of this report, except as mentioned in this Annual Report.

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

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

A. Conservation of energy: -

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

B. Technology absorption: -

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

C. Foreign exchange earnings and Outgo: -

There was no Foreign Exchange Earnings and Foreign Exchange Outgo during the period under review.

20. RISK MANAGEMENT:

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

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

22. PARTICULARS OF EMPLOYEES:

As per Notification dated 05th 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.

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

23. CHANGE IN THE NATURE OF BUSINESS:

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

24. PUBLIC DEPOSITS:

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

25. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

No order has passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the period under review.

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

In exercise of powers conferred by section 9 of the Micro, Small and Medium Enterprise Development Act, 2006, the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than Rs.500 crore and all CPSEs shall be required to get themselves on-boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. The Registrar of Companies (RoC) in each State shall be the competent authority to monitor the compliance of such instructions and also the Department of Public Enterprises, Government of India shall be the competent authority to monitor the compliance of such instructions by the CPSEs. The Company was incorporated on December 23rd December, 2021 and has started its operations in the second half of the FY 2022-23 upon declaration of appointed date by NHAI. Registration on TReDS Platform will be done during the FY 2023-24.

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

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

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

29. VIGIL MECHANISM:

The provisions of Section 177(9) of the Companies Act, 2013 relating to establishing of a vigil mechanism are not applicable to Company during the financial year 2022-23.

30. RIGHT TO INFORMATION:

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

31. PERFORMANCE EVALUATION OF BOARD MEMBERS:

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

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

32. SECRETARIAL STANDARDS

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

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

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

34. MEMORANDUM OF UNDERSTANDING (MoU):

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

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

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

35. ACKNOWLEDGEMENT:

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

We also place on record our appreciation for the contribution made by our employees at all levels. Your Board of Directors also takes this opportunity to convey their gratitude and sincere thanks for the cooperation and assistance received from the Shareholders during the period under report. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of Board of Directors
of Ircon Akloli-Shirsad Expressway Limited

Sd/-
Parag Verma
Chairman
DIN: 05272169

Date:04.08.2023
Place: New Delhi

ANNEXURE -A

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto during the period from 01st April, 2022 to 31st March, 2023

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

r. 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:
	EPC Agreement (For Appointing Ircon International Limited as EPC Contractor for construction, maintenance and management of Eight lane access controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section – Spur of Vadodara Mumbai Expressway) in the State of Maharashtra on EPC mode under Bharatmala Pariyojna (Phase II - Package XIV).	548 days from the appointed date and 5 year O&M Period	Agreement dated 02nd September, 2022. The Contract has been awarded to IRCON for a consideration of Rs.1,060.23 crore Plus GST.	22nd July, 2022	Mobilization Advance of Rs.50 crore.
	Lease Agreement (To take on lease the Office Premises of IRCON)	One Year (01.02.2022 to 31.03.2023)	Lease Agreement executed on 18th February, 2022 for rent @ Rs.21,236/- p.m. plus GST.	24th December, 2021	NIL (As on Date)

Note:

1. Apart from above said transactions, IRCON (holding company) has deputed its employee i.e. Chief Operating Officer (COO) to IrconASEL and the salary, benefits (like PF, GIS, Society deduction, related payments, etc.) and other miscellaneous payment in nature of travelling / ticket cost etc. paid to such deputed employees as per IRCON's policy are reimbursed on actual cost basis.

For and on behalf of Board of Directors of
Ircon Akloli-Shirsad Expressway Limited

Sd/-
Parag Verma
Chairman
DIN: 05272169

Date:04.08.2023
Place: New Delhi

AOC-2

Rajendra K. Goel & Co.

CHARTERED ACCOUNTANTS

Off.. : 29551642 29555354
Mo. : 9810128151
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J-288, GROUND FLOOR,
SAKET, NEW DELHI- 110017

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED

Report on the Audit of the IndAS Financial Statements

Opinion

We have audited the Ind AS financial statements of **IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED** (the "company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 31st March 2023, 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, 2023, the profit and loss and total comprehensive income, changes in equity and its cash flows for the year ended 31st March 2023.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

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

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with 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 section143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters,

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the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report)Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11)of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Cash Flows and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
    e. Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5th June 2015, issued by the Central Government of India.
    f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
    g. Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.
    h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company does not have any pending litigations which would have a material impact on its financial position.

ii. Based on the assessment made by the Company, there are no material foreseeable losses on long-term contracts that may require any provisioning. The Company did not have any derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

v. The Company has not declared or paid any final or interim dividend during the year and until the date of this report, therefore, the reporting under clause is not applicable.

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

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

S.No	Directions	Auditor's Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	Company is using SAP system to process all the accounting transactions. As per the information and explanation provided to us, no accounting transactions have been processed outside the IT System.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	No, Company is having no case of any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per our examination of records, no funds have been received/receivable for any specific scheme from Central/State Government or its agencies during the financial year 2022-23.

For Rajendra K Goel & Co.
Chartered Accountants
Firm Registration No: 001457N

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

R.K. Goel
(Partner)
Membership No: 006154

Place: New Delhi
Date: 12/05/2023
UDIN-23006154BGXRSV2941

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ircon Akloli-Shirsad Expressway Limited of even date)

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

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment. The Company does not have any intangible assets during the year.

(b) The Property, Plant and Equipment were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.

(c) The Company does not have any immovable properties during the year, hence reporting under clause 3 (i) (c) of the Order is not applicable to the company.

(d) During the year, no assets have been revalued by the Company, hence reporting under clause 3 (i) d of the Order is not applicable to the Company.

(e) The Company does not have any immovable properties during the year, hence reporting under clause 3 (i) (e) of the Order is not applicable to the company.

ii. (a) The Company has no inventories during the reporting year. Hence, reporting under clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned any working capital limits at any points of time during the year, hence reporting under clause 3 (ii) (b) of the Order is not applicable.

iii. The Company has not made investments in, provided any guarantee or security, granted any loan or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, and any other parties, during the year. Hence, reporting under Paragraph 3(iii) (a), (b), (c), (d), (e) and (f) of the order is not applicable to the Company.

iv. The Company has not granted loan, made investment, and provided guarantee and security to which the provisions of section 185 and 186 of the Companies Act, 2013 are attached. Hence, reporting under Paragraph 3(iv) of the order is not applicable to the Company.

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

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

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax,Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, dutyof Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

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(b) According to the information and explanation given to us, and as per examination of records of the Company, there is no amount payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, which have not been deposited as on March 31, 2023 on account of any disputes.

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

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year under audit.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) The Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) The Company has not raised any funds on short-term basis and hence, reporting under clause 3 (ix) (d) of the Order is not applicable.

(e) The Company does not have investment in subsidiaries, associates or joint ventures during the year ended 31 March, 2023 and hence, reporting under clause 3 (ix) (e) of the Order is not applicable.

(f) The Company does not have investment in subsidiaries, associates or joint ventures during the year ended 31 March, 2023 and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.

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

xi. (a) According to information and explanation given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the course of audit.

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

(c) No whistle blower complaints received by the Company during the year (and upto the date of this report).

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

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

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

xiv. According to the information and explanation given to us, the Company does not require to have an internal audit system as per the provisions of the Companies Act, 2013. Hence, reporting under clause (xiv) (a) and (b) of the Order is not applicable.

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

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

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

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(viii) 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. 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 to a fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of section 135 of the said Act. Accordingly reporting under clause 3(xx) (a) and (b) of the order is not applicable for the year.

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

For Rajendra K Goel & Co.
Chartered Accountants
Firm Registration No: 001457N

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

R.K. Goel
(Partner)
Membership No: 006154

Place: New Delhi
Date: 12/05/2023
UDIN: 23006154BGXRSV2941

Annexure B" to the Independent Auditors' Report of even date on the Ind AS Financial Statements of Ircon Akloli-Shirsad Expressway Limited for the year ended 31st March, 2023

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 AKLOLI-SHIRSAD EXPRESSWAY LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended 31st March 2023.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, "based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Rajendra K Goel & Co.
Chartered Accountants
Firm Registration No: 001457N

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

R.K. Goel
(Partner)
Membership No: 006154

Place: New Delhi
Date: 12/05/2023
UDIN: 23006154BGXRSV2941

Ircon Akloli-Shirsad Expressway Limited
CIN:-U45309DL2021GOI391629
Balance Sheet as at 31st March, 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	0.34	-
(b) Capital work-in progress		-	-
(c) Investment Property		-	-
(d) Intangible assets		-	-
(e) Intangible assets under development		-	-
(g) Right-of-use assets		-	-
(h) Financial assets		-	-
(i) Investments		-	-
(ii) Loans		-	-
(iii) Other financial assets		-	-
(i) Deferred tax assets (net)	3	0.02	0.05
(j) Other non-current assets	4	-	2.31
Total non-current assets		0.36	2.36
Current assets			
(a) Inventories		-	-
(b) Financial assets	5		
(i) Investments		-	-
(ii) Trade receivables	5.1	5,241.62	-
(iii) Cash and cash equivalents	5.2	4.13	3.89
(iv) Bank balances other than cash and cash equivalents		-	-
(v) Loans		-	-
(vi) Other current financial assets	5.3	2,101.89	1.74
(c) Current Tax Assets (Net)	6	0.04	-
(d) Other current assets	7	5,425.08	2.75
Total current assets		12,772.76	8.38
TOTAL ASSETS		12,773.12	10.74
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	5.00	5.00
(b) Other equity	9	5,175.33	(0.06)
Total equity		5,180.33	4.94
Liabilities			
Non-current liabilities			
(a) Financial liabilities	10		
(i) Borrowings	10.1	3,070.00	-
(ii) Lease liabilities		-	-
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than of micro enterprises and small enterprises		-	-
(iv) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Other non-current liabilities		-	-
Total non-current liabilities		3,070.00	-
Current liabilities			
(a) Financial liabilities	11		
(i) Borrowings		-	-
(ii) Lease liabilities		-	-
(iii) Trade payables	11.1		
- total outstanding dues of micro enterprises and small enterprises		4.52	-
- total outstanding dues of creditors other than of micro enterprises and small enterprises		4,312.47	0.25
(iv) Other financial liabilities	11.2	12.04	5.44
(b) Other current liabilities	12	193.76	-
(c) Provisions		-	-
(d) Current Tax liability (Net)	13	-	0.11
Total current liabilities		4,522.79	5.80
TOTAL EQUITY AND LIABILITIES		12,773.12	10.74
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	1 to 41		

As per our report of even date attached
For Rajendra K Goel & Co.
Chartered Accountants
ICAI Firm Registration No. : 001457N

R.K. Goel
Partner
ICAI Membership No.: 06154

Place : New Delhi
Date : May 12, 2023

For and on behalf of the Board of Directors

Masood Ahmad
(Director)
(DIN:-09008553)

B. Maguthan
(Director)
(DIN:-08517013)

Ircon Akloli-Shirsad Expressway Limited
CIN:-U45309DL2021GOI391629
Statement of profit and loss for the year ended 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Note	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Income			
Revenue from operations	14	6,542.20	1.74
Other income	15	42.43	-
Total Income (A)		**6,584.63**	**1.74**
Expenses			
Project Expenses	16	6,465.02	-
Employee benefits expenses	17	23.43	-
Finance costs	18	2.47	-
Depreciation, amortisation and impairment	19	0.07	-
Other expenses	20	51.58	1.74
Total expenses (B)		**6,542.57**	**1.74**
Profit/(Loss) before tax (A-B)		**42.06**	-
Tax expense	3		
Current tax		10.64	0.11
Deferred tax (net)		0.03	(0.05)
Total tax expense		**10.67**	**0.06**
Profit/(Loss) for the year		**31.39**	**(0.06)**
Other comprehensive income/(loss)			
A) Items that will not be reclassified to profit or loss		-	-
Income tax relating to Items that will not be reclassified to profit or loss		-	-
B) Items that will be reclassified to profit or loss		-	-
Income tax relating to Items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the year (net of tax)		-	-
Total Comprehensive income/(loss) for the year		**31.39**	**(0.06)**
Earnings per equity share (Face Value Per Equity Share Rs. 10)	25		
Basic		**62.78**	**(0.12)**
Diluted		**62.78**	**(0.12)**
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	1 to 41		

As per our report of even date attached
For Rajendra K Goel & Co.
Chartered Accountants
ICAI Firm Registration No. :-001457N

R.K. Goel
Partner
ICAI Membership No.: 06154

Place : New Delhi
Date : May 12, 2023

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

For and on behalf of the Board of Directors

Masood Ahmad
(Director)
(DIN:-09008553)

B. Muguntham
(Director)
(DIN:-08517013)

IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED CIN-U45309DL2021GOI391629

Ircon Akloli-Shirsad Expressway Limited
CIN:-U45309DL2021GOI391629
Statement of changes in equity for the year ended 31st March, 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

(a) Equity Share Capital

For the year ended 31 March 2023

Particulars	**Amount**
Balance as at 1 April 2022	5.00
Changes in equity share capital due to prior period errors	-
Restated balances as at 1 April 2022	**5.00**
Changes in equity share capital during the year	-
Balances as at 31 March 2023	**5.00**

For the period ended 31 March 2022

Particulars	**Amount**
Balance as at 23 December 2021	-
Changes in equity share capital due to prior period errors	-
Restated balances as at 23 December 2021	-
Changes in equity share capital during the period	5.00
Balances as at 31 March 2022	**5.00**

(b) Other Equity

For the year ended 31 March 2023

Particulars	**Reserves & Surplus**		**Other Comprehensive Income**	**Total**
	Retained Earnings	**Quasi Equity**		
Balance as at 1 April, 2022	(0.06)	-	-	**(0.06)**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 1 April, 2022	**(0.06)**	-	-	**(0.06)**
Total profit for the year	31.39	-	-	31.39
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**31.39**	-	-	**31.39**
Receipt of Quasi-Equity (Interest free loan) from Holding Company	-	5,144.00	-	5,144.00
Balance as at 31 March, 2023	31.33	5,144.00	-	**5,175.33**

For the period 23 December 2021 to 31 March 2022

Particulars	**Reserves & Surplus**		**Other Comprehensive Income**	**Total**
	Retained Earnings	**Quasi Equity**		
Balance as at 23 December, 2021	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 23 December, 2021	-	-	-	-
Total profit for the period	(0.06)	-	-	(0.06)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**(0.06)**	-	-	**(0.06)**
Balance as at 31 March, 2022	**(0.06)**	-	-	**(0.06)**
Significant accounting policies	1			
The accompanying notes are an integral part of the financial statements.	1 to 41			

As per our report of even date attached
For Rajendra K Goel & Co.
Chartered Accountants
ICAI Firm Registration No. :-001457N

R.K. Goel
Partner
ICAI Membership No.: 06154

Place : New Delhi
Date : May 12, 2023

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

For and on behalf of the Board of Directors

Masood Ahmad
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IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED CIN-U45309DL2021GOI391629

Ircon Akloli-Shirsad Expressway Limited
CIN:-U45309DL2021GOI391629
Statement of Cash Flows for the year ended 31st March 2023
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars		For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Cash flow from operating activities			
Profit before tax		42.06	-
Adjustments for:			
Depreciation expense		0.07	-
Interest Expenses		2.28	
Operating profit before working capital changes		44.41	-
Movements in working capital:			
Increase/(decrease) in other current liability		193.76	-
Increase/(decrease) in Trade Payables and other current financial liabilities		4,323.34	5.69
Decrease/(increase) in Trade Receivables and current financial assets		(7,341.76)	(1.74)
Decrease/(increase) in other current and non-current assets		(5,420.70)	(5.06)
		(8,245.36)	(1.11)
Cash generated from Operation		(8,200.95)	(1.11)
Income Tax (paid)/refunded		(11.06)	-
Net cash flow from/(used in) operating activities	(A)	(8,212.01)	(1.11)
Cash flows from investing activities			
Purchase of Property, plant and equipment		(0.41)	-
Net cash flow from/(used in) investing activities	(B)	(0.41)	-
Cash flow from financing activities			
Proceeds from fresh issue of share capital		-	5.00
Proceeds from non current borrowings		3,070.00	-
Proceeds from Receipt of Quasi Equity		5,144.00	-
Interest paid		(1.34)	-
Net cash flow from/(used in) in financing activities	(C)	8,212.66	5.00
Net increase/(decrease) in cash and cash equivalents	(A + B +C)	0.24	3.89
Cash and cash equivalents at the beginning of the year		3.89	-
Cash and cash equivalents at the end of the year		4.13	3.89

Notes:

1. The Statement of Cash flows has been prepared under the Indirect method set out in Ind AS-7 'Statement of Cash Flow' notified under the Companies (Indian Accounting Standards) Rules, 2015.

2. Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Statement of Cash Flows :

Particulars	As at 31st March 2023	As at 31st March 2022
Components of cash and cash equivalents		
- Cash on hand	-	-
- With banks in current account	-	3.89
- With banks in escrow account	4.13	-
Total cash and cash equivalents as per Balance Sheet (Refer Note 5.2) and Statement of Cash Flows	4.13	3.89

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

For the year ended 31 March 2023

Particulars	Borrowings*
As at 1 April 2022	-
(a) Cash Flows during the year	3,070.0
(b) Non Cash Changes due to :	
Interest accrued on borrowings (net of interest paid)	0.67
As at 31 March 2023	3,070.67

For the period from 23 December, 2021 to 31 March 2022

Particulars	Borrowings*
As at 23 December 2021	-
(a) Cash Flows during the period	-
(b) Non Cash Changes due to :	
Interest accrued on borrowings (net of interest paid)	-
As at 31 March 2022	-

* Includes interest accrued on non-current borrowings, refer Note 11.2.

As per our report of even date attached
For Rajendra K Goel & Co.
Chartered Accountants
ICAI Firm Registration No. :-001457N

R.K. Goel
Partner
ICAI Membership No.: 06154

Place : New Delhi
Date : May 12, 2023

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

For and on behalf of the Board of Directors

Masood Ahmad
(Director)
(DIN:-09008553)

B. Mugunthan
(Director)
(DIN:-08517013)

IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED CIN-U45309DL2021GOI391629

1. Company Information and Significant Accounting Policies

A. Reporting Entity

Ircon Akloli-Shirsad Expressway Limited (the "Company") is domiciled and incorporated in India and is a wholly owned subsidiary of Ircon International Limited (IRCON), public sector construction company domiciled in India. The Company (CIN U45309DL2021GOI391629) 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 "Construction of Eight lane access controlled expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section- SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity Mode under Bharatmala Pariyojna (Phase- II – Package-XIV). In pursuant to the provisions of "Request for Proposal", the selected bidder 'IRCON' has formed a Special Purpose Vehicle (SPV) named Ircon Akloli-Shirsad Expressway Limited as wholly owned subsidiary of IRCON, incorporated on 23.12.2021. Accordingly, the Company has signed the Concession Agreement with NHAI on 27th Jan, 2022 for the project value amounting to Rs 1124 Crore. The Concession period is 15 years from Commercial Operation Date (COD) and Construction period is 548 days from Appointed Date. The registered office of the company is located at C-4, District Centre, Saket, New Delhi- 110017.

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

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

B. 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

C. 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.

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:

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

ICON AKLOLI-SHIRSAD EXPRESSWAY LIMITED U45309DL2021GOI391629

- 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

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 atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

2. Property, plant and equipment

2.1 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.

2.2 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.

2.3 Depreciation and useful lives

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

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

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

Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset. Leasehold land acquired on perpetual lease is not amortized.

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

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

2.4 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.

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.

4. Revenue recognition

Service Concession Arrangements (Appendix D to Ind AS 115 – Revenue from Contracts with Customers)

The Company constructs the infrastructure (road) used to provide a public service and operates and maintains that infrastructure for a specified period of time. Under Appendix D to Ind AS 115 – Revenue from Contracts with Customers, this arrangement is accounted for based on the nature of consideration.

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.

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

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

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

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.

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.

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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. A cumulative catch-up adjustment would be recognized in the period in which the entity is able to reasonably measure its progress.

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

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

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

4.1 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.

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Ircon Akloli-Shirsad Expressway Limited CIN-U45309DL2021GOI391629

4.2 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.

5. Borrowing cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are 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.

6. Taxes

6.1 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.

6.2 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

Rajendra K. Goel & Co. Chartered Accountants New Delhi

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.

7. Foreign Currencies

7.1 Functional and presentation currency

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

7.2 Transactions and balances

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

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

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

8. Employee benefit

8.1 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.

8.2 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 is no post-employment benefits to the contractual employees.

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

Rajendra K. Goel & Co. Chartered Accountants New Delhi

Company's cash management.

10. Dividend

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

11. Provisions, contingent assets and contingent liabilities

11.1 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, Legal Cases, Corporate Social Responsibility (CSR), Onerous Contracts and others.

11.2 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.

11.3 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.

11.4 Contingent assets

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

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IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED

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.

12.1 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.

12.1.1 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.

12.1.2 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

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12.1.3 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.

12.2 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.

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.

13.1 Financial assets

13.1.1 Initial recognition and measurement

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

13.1.2 Subsequent measurement

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

13.1.2.1 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.

13.1.2.2 Debt instruments at FVTOCI

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

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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.

13.1.2.3 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.

13.1.2.4 Equity instruments

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

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

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

13.2 Impairment of financial assets

Expected Credit Loss 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:

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

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

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

13.3 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.

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13.4 Financial liabilities

13.4.1 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.

13.4.2 Subsequent measurement

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

13.4.2.1 Financial liabilities at fair value through profit or loss

The company has not designated any financial liabilities at FVTPL.

13.4.2.2 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 Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit or loss when the liabilities are de-recognised as well as through the Effective Interest Rate (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.

13.4.3 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.

13.4.4 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.

13.4.5 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.

13.4.6 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.

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.

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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.

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.

16. Material prior period errors

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.

17. Operating Segment

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

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.

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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.

19.1 Allowances for uncollected trade receivables

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

19.1 Contingencies

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

19.4 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.

19.5 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.

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19.6 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.

19.7 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.

19.8 Leases - Estimating the incremental borrowing rate

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.

19.9 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).

19.10 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.

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

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- 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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(All amounts in Indian Rupees Lakhs unless otherwise stated)

2 Property, Plant and Equipment

Particulars	Computers	Total
Gross Carrying Amount (At Cost)		
At 23 December 2021	-	-
Additions	-	-
Disposals/Adjustments	-	-
At 31 March 2022	-	-
At 1 April 2022	-	-
Additions	0.41	0.41
Disposals/Adjustments	-	-
At 31 March 2023	**0.41**	**0.41**
Depreciation and impairment		
At 23 December 2021	-	-
Depreciation charge for the period	-	-
Impairment	-	-
Disposals/Adjustments	-	-
At 31 March 2022	-	-
At 1 April 2022	-	-
Depreciation charge for the year	0.07	0.07
Impairment	-	-
Disposals/Adjustments	-	-
At 31 March 2023	**0.07**	**0.07**
Net book value		
At 31 March 2023	0.34	0.34
At 31 March 2022	-	-

Note:

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

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

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

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

3 Deferred Tax Assets (Net) and Tax expense

A) The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Current income tax		
Current income tax charge	10.64	0.11
Deferred tax		
Relating to origination and reversal of temporary differences	0.03	(0.05)
Income tax expense reported in the statement of Profit and Loss Section	**10.67**	**0.06**

B) The reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
1. Profit/(Loss) before tax	42.06	-
2. Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
3. Tax on accounting profit	10.59	-
4. Effect of tax adjustments		
(i) Tax on expenses not tax deductible:	0.05	0.11
(ii) Deferred tax expenses / (income)	0.03	(0.05)
Total effect of tax adjustments	**0.08**	**0.06**
5. Income tax expense reported in the statement of profit and loss (3+4)	**10.67**	**0.06**
6. Effective tax rate 6 = 5/1	25.36%	-

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

Particulars	Balance Sheet		Statements of Profit and Loss	
	As at 31st March, 2023	As at 31st March, 2022	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Pre-incorporation expense	0.04	0.05	0.01	(0.05)
Depreciation on PPE	(0.02)	-	0.02	-
Net deferred tax Assets/(Liabilities)	**0.02**	**0.05**	**0.03**	**(0.05)**

D) Deferred tax assets reflected in Balance Sheet:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax assets	0.04	0.05
Deferred tax liabilities	(0.02)	-
Deferred Tax Asset/(Liabilities) (Net)	**0.02**	**0.05**

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

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

Particulars	Balance As at 1st April 2022 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March, 2023 (Net)
Pre-incorporation expense	0.05	(0.01)	-	0.04
Depreciation on PPE	-	(0.02)	-	(0.02)
Net deferred tax Assets/(Liabilities)	0.05	(0.03)	-	0.02

Particulars	Balance As at 23rd December 2021 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March, 2022 (Net)
Pre-incorporation expense	-	0.05	-	0.05
Net deferred tax Assets/(Liabilities)	-	0.05	-	0.05

4 **Other Non-Current Assets**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Considered good unless otherwise stated)		
Prepaid Expenses	-	2.31
	-	2.31

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5 Current Assets - Financial Assets

5.1 Current Financial Assets - Trade Receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, considered good	-	-
Unsecured, considered good	5,241.62	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Impairment Allowance (allowance for bad and doubtful debts):		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	-	-
Total	5,241.62	-

Foot Note:
1 **Trade Recievable Ageing Schedule for the year ended as at 31st March 2023 and 31st March 2022**

For the year ended 31 March 2023

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	-	5,241.62	-	-	-	-	5,241.62
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	-	5,241.62	-	-	-	-	5,241.62
Impairment Allowance	-	-	-	-	-	-	-	-
Total	-	-	5,241.62	-	-	-	-	5,241.62

For the period ended 31 March 2022

Particulars	Unbilled	Not Due	Outstanding for the period ended March 31, 2022 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Impairment Allowance	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

5.2 Current Financial Assets - Cash and cash equivalents

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks:		
- On current accounts (i)	-	3.89
- On escrow accounts (i)	4.13	-
Total	4.13	3.89

Note:

(i) Rs. 4.13 lakhs held in escrow account (31 March 2022: Rs. 3.89 lakhs held in current account) which are earmarked fund as per concession agreement entered with NHAI.

5.3 Current Assets - Other Financial Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured and considered good)		
Contract Assets:		
Unbilled revenue under SCA	2,101.89	1.74
Total	2,101.89	1.74

6 Current Assets - Current Tax Assets (Net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	0.04	-
Total	0.04	-

Note:
Refer Note 13 for Current tax liabilities (Net) of FY 2021-22

7 Other Current Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Considered good unless otherwise stated)		
Advances Other than Capital Advances		
Advances to Related Parties - Ircon International Limited (Holding Company)		
- Advances to Contractor, Suppliers and Others	5,000.00	-
Other Advances :		
Advance Recoverable from:		
- Goods and Services Tax	363.09	-
Others		
Prepaid Expenses	23.80	2.75
Interest accrued on advance to Related Parties	38.19	-
Total	5,425.08	2.75

8 **Equity Share Capital**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised Share Capital 50,000 equity shares of Rs.10/- each (50,000 equity shares of Rs.10/- each as at 31st March 2022)	5.00	5.00
Issued, subscribed and fully paid-up shares 50,000 equity shares of Rs.10/- each (50,000 equity shares of Rs.10/- each as at 31st March 2022)	5.00	5.00
Total issued, subscribed and fully paid-up share capital	5.00	5.00

(a) Details of Promoter's shareholding

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

Particulars	Shares held by Promoter as at 31 March, 2022			% change during the period
	Promoter Name	No. of shares	% of total shares	
As at 31 March, 2022	Ircon International Limited	50,000	100%	-
Outstanding at the end of the period		50,000	100%	-

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
At the beginning of the year / (period)	50,000	5.00	-	-
Issued during the year / (period)	-	-	50,000	5.00
Outstanding at the end of the year / (period)	50,000	5.00	50,000	5.00

(c) **Terms/ rights attached to equity shares**

(i) Voting

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

(ii) Liquidation

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

(iii) Dividend

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

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

Particulars	As at 31st March, 2023	
	No. of Shares	% holding in the class
Equity Shares of Rs. 10 each fully paid Ircon International Limited and its nominees	50,000	100%

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

(e) For the period of preceding five years as on the Balance sheet date:
(i) Shares bought back: Nil
(ii) Shares allotted as fully paid up by way of bonus shares: Nil
(iii) Shares issued for consideration other than cash: Nil

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

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9 Other Equity

Particulars	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings	31.33	(0.06)
Quasi Equity	5,144.00	-
Total	**5,175.33**	**(0.06)**

i) Movement as per below:

Retained Earnings

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	(0.06)	-
Transfer from surplus in statement of profit and loss	31.39	(0.06)
Closing Balance	**31.33**	**(0.06)**

Quasi Equity

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	-	-
Receipt of Quasi Equity	5,144.00	-
Closing Balance	**5,144.00**	-

ii) Nature and Purpose:

Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

Quasi Equity

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

10 Non-Current Liabilities - Financial Liabilities

10.1 Borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loan From Banks:		
Secured:		
Loan From Bank of Baroda	3,070.00	-
Total	3,070.00	-

Note:

The Company has entered into a term loan agreement during the financial year 2022-23 with Bank of Baroda to finance the project for an amount of Rs. 68,637.00 Lakhs. During the financial year 2022-23, disbursement of Rs. 3,070.00 Lakhs (31 March 2022: Nil) has been received. The terms and conditions and detail of security are as under:

1) Details of Terms and Conditions:

(i) Interest rate to be charged on loan shall be Overnight MCLR without Strategic Premium +0.09% with monthly rest. Presently, applicable interest rate is 7.99% p.a.

(ii) Moratorium of 6 months from the date of PCOD/COD.

(iii) Term Loan shall be repayable in 26 structured semi-annual instalments commencing after 6 months end (moratorium) in which COD/ PCOD is achieved.

(iv) Interest shall be paid as and when debited. MCLR/Spread shall be subject to reset as and when it changes.

(v) Corporate Guarantee of the Promoter i.e.Ircon International Limited (AAA Rated) shall be available till the receipt of 1st annuity from NHAI or COD + 180 days, whichever is later.

2) Details of Security:

The facility together with all interest, fees, commission and other monies whatsoever stipulated and due to the lender shall be secured, to the extent permitted under the Concession Agreement by:

(a) A first mortgage and charge on all the Borrower's immovable properties (if any), both present and future, save and except Project Assets;

(b) A first charge on all the Borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;

(c) A first charge over all accounts of the Borrower including the Escrow Account and Sub-accounts (or any account in substitution thereof) that may be opened in accordance with the Concession Agreement, Facility Agreement, Escrow Agreement and the Supplementary Escrow Agreement or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and or other securities, provided that the same being applied to the extent of waterfall of priority of payments as specified in the Concession Agreement and the Escrow Agreement and not beyond that; and all the charge over the Receivables shall be enforceable by the Senior Lenders for the purpose of ensuring that the Receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payments as specified in the Concession Agreement and the Escrow Agreement and not beyond that.

(d) A first charge over all intangible assets of the Borrower including but not limited to goodwill, rights, undertakings, and uncalled capital present and future excluding the Project Assets (Provided that all the amount received on account of any of these shall be deposited in the Escrow Account and the charges on the same shall be subject to the extent permissible as per priority specified in the Concession Agreement and the Escrow Agreement). Further, a charge on the uncalled capital, as set in above, shall be subject however to the provisions of Concession Agreement;

(e) A first charge or assignment by way of Security in :

- all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under the Project Documents;
- the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the Approvals;
- all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; and
- all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the Insurance Contracts;

(f) DSRA: DSRA for to 3 month's interest and one principal instalment.

The entire Security (including execution of Escrow and Subsitution agreement) shall be created upfront prior to the disbursement and perfected prior to disbursement.

3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

4) The Company has used the borrowings from banks for the purposes for which they were taken.

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Notes forming part of the Financial Statements
(All amounts in Indian Rupees Lakhs unless otherwise stated)

11 Current Liabilities - Financial Liabilities

11.1 Current Liabilities - Trade Payables

Particulars	As at 31st March, 2023	As at 31st March, 2022
(A) Micro, Small & Medium Enterprises	4.52	-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor, Suppliers and Consultants	-	0.25
(ii) Related Parties	4,312.47	-
Total	4,316.99	0.25

Foot Notes:

a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note 35.

b) Terms and Conditions and other balances with related parties are disclosed in Note 24.

c) Trade payables Ageing Schedule for the year ended as at 31st March 2023 and 31st March 2022

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	0.70	3.71	0.11	-	-	-	4.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	4,312.47	-	-	-	4,312.47
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	0.70	3.71	4,312.58	-	-	-	4,316.99

Particulars	Unbilled	Not Due	Outstanding for the period ended March 31, 2022 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.25	-	-	-	-	-	0.25
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	0.25	-	-	-	-	-	0.25

11.2 Current Liabilities - Other Financial Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Payable to Holding Company	3.10	5.44
Amount Payable to Client	8.27	-
Interest accrued on secured borrowings	0.67	-
Total	12.04	5.44

12 Other Current Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues	193.76	-
Total	193.76	-

13 Current liabilities - Current tax liabilities (net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for tax (Net of Advance Tax)	-	0.11
		-
Total	-	0.11

Note:

Refer Note 6 for Current tax assets (net) of FY 2022-23

(All amounts in Indian Rupees Lakhs unless otherwise stated)

14 **Revenue from operations**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Revenue from operation		
Contract revenue	6,542.20	1.74
Total	**6,542.20**	**1.74**

15 **Other Income**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Interest Income from		
- Advance to Holding Company i.e. Ircon International Limited	42.43	-
Total	**42.43**	-

16 **Project Expenses**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Work Expenses	6,416.93	-
Independent Engineer Inspection Charges	48.09	-
Total	**6,465.02**	-

17 **Employee benefits expenses**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Salaries, Wages and Bonus	18.59	-
Contribution to Provident and Other Funds	1.44	-
Retirement Benefits	3.40	-
Staff Welfare	-	-
Total	**23.43**	-

Note: Disclosures as per Ind AS 19 - 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 22.

18 **Finance costs**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Interest cost on financial liabilities measured at amortized cost		
- Interest Expense on Term Loan	2.02	-
Interest on Income Tax and other statutory dues	0.26	-
Other borrowing costs		
- Bank Guarantee & Other Charges	0.19	-
Total	**2.47**	-

19 **Depreciation, amortisation and impairment**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Depreciation on Property, Plant and Equipment	0.07	-
Total	**0.07**	-

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20 Other Expenses

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Payment to the Auditors (Refer Note (i) below)	0.48	0.25
Legal & Professional charges	16.86	0.12
Pre-incorporation expense	-	0.49
Printing and Stationery expense	0.49	-
Rent	3.01	0.50
Bank Charges	2.79	0.38
Travelling Expenses	0.64	-
Insurance	26.59	-
Repair and Maintenance	0.05	-
Rate & Taxes	0.02	-
Misc Expenses (Refer Note (ii) below)	0.65	-
Total	**51.58**	**1.74**

(i) **Payment to the Auditors**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Payment to the auditor's for		
As auditor:		
- Statutory Audit Fee	0.25	0.25
- Tax Audit Fee	0.08	-
- Limited Review Fee	0.15	-
In other capacity:		
- Other Services	-	-
- Reimbursement of expenses	-	-
Total	**0.48**	**0.25**

(ii) Includes penalty for late filing of professional tax returns of Rs. 0.11 lakhs

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

21 Disclosure as per Ind AS 1 'Presentation of financial Statements'

a) Changes in significant accounting policies

During the year, following changes to accounting policies have been made:

(i) Changes have been made in Policy No. 2 "Property, plant and equipment" for uniformity with the Holding Company and improved disclosure.

(ii) There is no impact on the financial statements due to the above changes.

b) Reclassification and comparative figures

Reclassifications/Regrouping have been made wherever necessary to the comparative period's financial statement:

- to enhance the comparability with the current year's financial statements
- to ensure compliance with the Guidance note on Division II - Ind AS Schedule III to the Companies Act

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

22 Disclosure as per Ind AS 19 on Employee benefits

The employees in Ircon Akloli-Shirsad Expressway Limited are posted on nomination/ secondment basis from Ircon International Limited (Holding Company).

In terms of accounting policy of the Company (Note No. 2.2.7) and arrangement with the Holding Company, the provision for Retirement Benefits such as provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits of nominated employees is being made by Holding company in terms of Ind AS-19. The amount paid or payable towards provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits to the holding company are included in "Employee Benefit Expenses" (Note 17).

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

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

The amount of exchange differences (net) credited/debited to the statement of profit and loss is Nil (31 March 2022: Nil).

24 Related Party Disclosures

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

a) List of Related Parties

(i) Holding company

Ircon International Limited

(ii) Key Management Personnel (KMP)

Part Time and Non Executive Directors

Name	Designation
Shri Ashok Kumar Goyal	Part Time and Non Executive Director (w.e.f. 23/12/2021 to 10/10/2022)
Shri Parag Verma	Part Time and Non Executive Director (w.e.f. 23/12/2021)
Shri B.Muguntham	Part Time and Non Executive Director (w.e.f. 23/12/2021)
Shri Masood Ahmad	Part Time and Non Executive Director (w.e.f. 23/12/2021)
Shri Devendra Kumar Sharma	Part Time and Non Executive Director (w.e.f. 10/10/2022)

Remuneration to Key Management Personnel: Company had Part-time and Non Executive Directors during the financial year 2022-23 and 2021-22, nominated on the Board by the Holding Company, do not draw any remuneration from the Company. No sitting fee is paid to Part- time and Non Executive Directors.

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 2023	For the Period 23rd December 2021 to 31st March 2022
1) Work expenses			6,416.93	-
2) Reimbursement expenses of PF, Pension, GIS, BG Charges etc			9.70	5.93
3) Rent Expense (inclusive of GST)	Ircon		3.01	0.50
4) Mobilisation Advance	International	Holding Company	5,000.00	-
5) Proceeds from Issue of Equity Share Capital	Limited		-	5.00
6) Receipt of Quasi Equity (Interest free loan)			5,144.00	-
7) Interest Income on Mobilisation Advance			42.43	-

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

Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022
1) Mobilisation Advance	Ircon		5,000.00	-
2) Interest Accrued on Mobilisation Advance	International	Holding Company	38.19	-
3) Balance Payable as on reporting date	Limited		4,315.57	5.44

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 reporting date are unsecured and settlement occurs through banking transactions. These balances are interest free except Mobilisation Advance on which interest is chargeable at an interest rate equal to the average of one year MCLR of top 5 Scheduled Commercial banks plus 1.25%.

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25 Earnings per share (EPS)

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

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

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

Particulars	Note	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Profit attributable to Equity holders (Rs. in lakhs)	(ii)	31.39	(0.06)
No.of equitty shares		50,000	50,000
Weighted average number of equity shares outstanding during the period	(iii)	50,000	50,000
Earnings per share (Basic)		62.78	(0.12)
Earnings per share (Diluted)		62.78	(0.12)
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 2023	For the Period 23rd December 2021 to 31st March 2022
Profit for the year as per Statement of Profit and Loss	31.39	(0.06)
Profit attributable to Equity holders of the company used for computing EPS	31.39	(0.06)

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

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Opening balance of issued equity shares	50,000	-
Equity shares issued during the period	-	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 period	-	-
Weighted average number of equity shares for computing Diluted EPS	50,000	50,000

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26 Impairment of Assets

During the year, 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. There are no indicators which lead to any impairment of assets of the Company. Accordingly, impairment loss of **Nil** (31 March 2022: Nil) has been provided for.

27 Contingent liabilities, contingent assets and commitments

A. Contingent liabilities

(i) Claims against the Company not acknowledged as debts as on the reporting date are **Nil** (31 March 2022: Nil).

B. Contingent assets

Contingent Assets as on the reporting date are Nil (31 March 2022: Nil).

C. Commitments

(i) Estimated amount of contracts remaining to be executed on capital account(net of advance) and not provided for is Nil (31 March 2022: Nil).
(ii) Other Commitment towards EPC Sub-Contract work remaining for execution (net of advance) and not provided for on March 31, 2023 is **Rs 95,282.83 Lakhs** (31 March 2022: Nil)

28 Segment Reporting

(i) General Information

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

(ii) Information about geographical information

As the Company operates in a single geographical segment i.e. India. Therefore, there is no separate reportable geographical segment.

(iii) Information about major customer

Revenue of **Rs. 6,542.20 Lakhs** (FY 2021-22: Rs. 1.74 Lakhs) are derived from a single customer i.e. NHAI which is more than **10%** of the Company's total revenue.

29 Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade payables and other payables in domestic currency. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents. The Company is exposed to the following risks from its use of financial instruments: Credit risk, Liquidity risk and Market risk.

Risk Management Framework

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

a) Credit Risk

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

Cash and cash equivalents

The Company held cash and cash equivalents of **Rs. 4.13 lakhs** (31 March 2022 : Rs. 3.89 lakhs). The cash and cash equivalents are held in public sector banks with strong credit ratings.

Trade Receivables and Other financial assets

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

(i) Exposure to credit risk

Particulars	As at 31 March 2023	As at 31 March 2022
Financial Assets for which allowance is measured using 12 months Expected Credit Losses (LECL)		
Cash and Cash Equivalents	4.13	3.89
Financial Assets for which allowance is measured using life-time expected credit loss as per Simplified Approach		
Trade Receivable	5,241.62	-
Unbilled revenue	2101.89	1.74
Total	**7,347.64**	**5.63**

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

(ii) Summary of change in loss allowances measured using Simplified approach

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Allowances	-	-
Impairment loss recognised during the period	-	-
Amount written-off during the period	-	-
Total	-	-

During the year, the Company has recognised loss allowance of **Nil** (31 March, 2022 : **Rs. Nil**).

Summary of change in loss allowances measured using Lifetime Expected Credit Losses (LECL) approach

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Allowances	-	-
Impairment loss recognised during the period	-	-
Amount written-off during the period	-	-
Total	-	-

No significant changes in estimation techniques or assumptions were made during the reporting year. During the year, the Company has recognised loss allowance of Nil (31 March, 2022 : Rs. Nil).

b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash 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. Liquidity position of the Company is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

The table below provides details regarding the significant financial liabilities as at 31 March 2023 and 31 March 2022

Particulars	As at 31 March 2023			
	Less than 1 Year	1-2 Years	2 Years and Above	Total
Term Loan from Banks	-	514.78	2,555.22	3,070.00
Lease Liabilities	-	-	-	-
Trade Payable	4,316.99	-	-	4,316.99
Other Financial Liability	12.04	-	-	12.04
Total	4,329.03	514.78	2,555.22	7,399.03

Particulars	As at 31 March 2022			
	Less than 1 Year	1-2 Years	2 Years and Above	Total
Term Loan from Banks	-	-	-	-
Lease Liabilities	-	-	-	-
Trade Payable	0.25	-	-	0.25
Other Financial Liability	5.44	-	-	5.44
Total	5.69	-	-	5.69

c) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Foreign currency risk and Interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company.

Currency risk

The Company operates in India only and the functional currency of the Company is also Indian Rupees. The Company has no transaction in currency other than functional currency and therefore, the Company is not exposed to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.The Company is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rate because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed-rate instruments :		
Financial Assets	-	-
Financial Liabilities	-	-
Variable-rate instruments:		
Financial Assets	-	-
Financial Liabilities	3,070.00	-

RAJENDRA K. GOEL & CO. Chartered Accountants NEW DELHI

(All amounts in Indian Rupees Lakhs unless otherwise stated)

30 Fair Value Measurements

a) Financial instruments by category

Particulars	As at 31 March 2023		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets			
(i) Cash and cash equivalents	-	-	4.13
(ii) Trade Receivables	-	-	5,241.62
(iii) Other current financial assets	-	-	2,101.89
	-	-	7,347.64
Financial Liabilities			
(i) Borrowings	-	-	3,070.00
(ii) Trade Payables	-	-	4,316.99
(iii) Other financial liabilities	-	-	12.04
	-	-	7,399.03

Particulars	As at 31 March 2022		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets			
(i) Cash and cash equivalents	-	-	3.89
(ii) Other current financial assets	-	-	1.74
	-	-	5.63
Financial Liabilities			
(i) Trade Payables	-	-	0.25
(ii) Other financial liabilities	-	-	5.44
	-	-	5.69

b) Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

c) Carrying value and Fair value of financial assets and liabilities as at 31st March 2023 and 31st March 2022

Particulars	Carrying Value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
(i) Cash and cash equivalents	4.13	-	-	4.13
(ii) Trade Receivables	5,241.62	-	-	5,241.62
(iii) Other current financial assets	2,101.89	-	-	2,101.89
	7,347.64	-	-	7,347.64
Financial Liabilities at Amortized Cost				
(i) Borrowings	3,070.00			3,070.00
(ii) Trade Payables	4,316.99	-	-	4,316.99
(iii) Other financial liabilities	12.04	-	-	12.04
	7,399.03	-	-	7,399.03

Particulars	Carrying Value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
(i) Cash and cash equivalents	3.89	-	-	3.89
(ii) Other current financial assets	1.74	-	-	1.74
	5.63	-	-	5.63
Financial Liabilities at Amortized Cost				
(i) Trade Payables	0.25	-	-	0.25
(ii) Other financial liabilities	5.44	-	-	5.44
	5.69	-	-	5.69

The management assessed that fair value of cash and cash equivalents, trade receivables, 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.

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IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED

31 Capital Management

The Company's objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Company can continue to provide maximum returns to shareholders and benefit to other stakeholders and also to maintain an appropriate capital structure of debt and equity. The capital structure of the company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Company monitors capital, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company monitors capital using debt equity ratio which is debt divided by total equity. Debt comprises of non-current and current maturities of long term debt. The debt equity ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings (Note No. 10.1)	3,070.00	-
Current Maturities of Long term Debt	-	-
Debt	**3,070.00**	**-**
Equity (Note No. 8)	5.00	5.00
Other Equity (Note No. 9)	5,175.33	(0.06)
Total Equity	**5,180.33**	**4.94**
Debt Equity Ratio	**0.59**	**-**

32 Revenue

A. Disaggregation of Revenue

Having regard to the nature of contract with customer, there is only one type of category of revenue:
For the year ended March 31, 2023

Type of Product or Services	Revenue as per Ind AS 115	Method for measuring		Other Revenue	Total as per Statement of Profit and Loss
		Input Method	Output Method		
Highway	6,542.20	6,542.20	-	42.43	6,584.63
Total	6,542.20	6,542.20	-	42.43	6,584.63

For the period 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
		Input Method	Output Method		
Highway	1.74	1.74	-	-	1.74
Total	1.74	1.74	-	-	1.74

The company has used cost incurred as input to measure the progress towards satisfaction of performance obligation and due to the uncertainty involved in the initial phase of the contract in measuring the performance obligation of construction of highway road, the revenue is recognised to the extent of contract cost incurred in accordance with Ind AS 115. The total revenue recognised under Ind AS 115 during the year, Rs 6,542.20 Lakhs (for the period ended 31 March, 2022 : Rs. 1.74 Lakhs) is recognised over a period of time.

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B. Contract balances

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Receivables (Note 5.1)	5,241.62	-
Contract Assets (Note 5.3)	2,101.89	1.74
Contract Liabilities	-	-

ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the year

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Contract asset at the Beginning of the period	1.74	-
Contract asset at the end of the period	2,101.89	1.74
Net increase/(decrease)	**2,100.15**	**1.74**

For the Financial 2022-23 and 2021-22 - There has been an net increase of **Rs. 2,100.15 Lakhs** and Rs. 1.74 Lakhs respectively as compared to previous year due to recognition of revenue based on input method. During the year ended 31st March, 2023 and 31st March 2022, **Rs. 4,442.05 Lakhs** and Rs.Nil respectively of contract assets has been reclassified to trade receivables.

iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer. There are no Contract liabilities as at 31 March 2023 and 31 March 2022.

Movement in contract balances during the year

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Contract liabilities at the Beginning of the period	-	-
Contract liabilities at the end of the period	-	-
Net increase/(decrease)	-	-

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

Particulars	As at 31 March 2023	As at 31 March 2022
Amount included in contract liabilities at the beginning of the period	-	-
Performance obligation satisfied in previous period	-	-

D. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2023 is Nil (As at 31st March, 2022: Nil)

E. Transaction price allocated to the remaining performance obligations

The transaction price for remaining performance obligations shall be received over the contract period in proportion of the work performed/services provided by the Company. The following table shows unsatisfied performance obligations resulting from long-term construction contracts;

Particulars	As at 31 March 2023**	As at 31 March 2022**
Within one year	92,552.49	Appointed date yet to be issued
More than one year to 2 years	14,108.60	
More than 2 years	43.75	
Total	**1,06,704.84**	-

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

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IRCON AKLOLI SHIRSAD EXPRESSWAY LIMITED CIN-U45309DL2021GOI391629

33 Service Concession Arrangements

Disclosure pursuant to Appendix D of Ind AS 115 "Service Concession Arrangements" is as under:

a) **Description of the arrangement**

Ircon Akloli-Shirsad Expressway Limited (IrconASEL), a wholly-owned subsidiary of Ircon International Limited has been incorporated as a Special Purpose Vehicle on December 23, 2021, pursuant to a conditions as stipulated in Letter of Award issued by National Highway Authority of India (NHAI). Ircon Akloli-Shirsad Expressway Limited (IrconASEL) has entered in to service concession arrangement on 27th January 2022 with National Highway authority of India (NHAI) in terms of which NHAI (Authority) has authorised the company to carry the business of Construction of Eight Lane access controlled Expressway from Km 3.000 to Km 20.200 (design length 17.200 km) from Shirsad to Akloli Section SPUR of Vadodara Mumbai Expressway(hereinafter called the "Vadodara Mumbai Expressway) in the State of Maharashtra under Bharatmala Pariyojana (Phase II-Package XIV) by Eight laning thereof (the "Project") on Hybrid Annuity basis, which shall be partly financed by the concessionaire who shall recover its investment and costs through payment to be made by the authority, in accordance with the terms and conditions set in the concession agreement.

b) **Significant terms of the arrangement**

i) Period of the Concession : 15 Years from Commercial Operation Date (COD).

ii) Construction Period : 548 days from Appointed Date i.e. from 10/11/2022

iii) Payment Terms : Bid Project Cost (BPC) = Rs. 1124 crore. 40% of the BPC, adjusted for the Price Index Multiple, shall be due and payable in 10 equal installments of 4% each during the Construction period and remaining BPC, adjusted for the Price Index Multiple, shall be due and payable in 30 biannual installments commencing from the 180th day of COD.

In terms of the said agreement IrconASEL has no right to use the specified assets and has an obligation to complete construction of the project and to keep the project assets in proper working condition including all projects assets whose lives have expired.

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 IrconASEL have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

c) **Financial assets (Service concession receivables)**

The company has recognized unbilled receivable of **Rs.2,101.89 Lakhs** (Rs. 1.74 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 2023 and 31st March 2022 respectively.

d) **Disclosure of revenue and profits or loss during the year**

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Contract Revenue Recognized	6,542.20	1.74
Aggregate amount of cost incurred	6,542.57	1.74
Profit/(Loss) recognised during the period for exchange of construction service for a financial asset	(0.37)	-
Amount of advance received from Client	-	-
Amount of retention by Client	-	-
Gross amount due from Client for Contract Works	7,343.51	1.74

34 Leases

a) **Company as a Lessee**

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

The Company has taken Office on lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for such leases.
The following are the amounts recognised in Statement of profit and loss:

Particulars	For the year ended 31st March 2023	For the Period 23rd December 2021 to 31st March 2022
Expense relating to short-term leases (Refer Note 20)	3.01	0.50

b) **Company as a Lessor**

Company has no leasing arrangement as a lessor.

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

S.No.	Particulars	As at 31 March 2023	As at 31 March 2022
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	Principal amount due to micro and small enterprises	NIL	NIL
	Interest due on above	NIL	NIL
b)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	NIL	NIL
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	NIL	NIL

36 Corporate Social Responsibility

The Company is not covered under section 135 of the Companies Act, 2013 and no CSR expenditure has been incurred during the financial year ending 31st March 2023 and 31st March 2022.

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

There are no loans given, investments made and guarantee given by the Company during the year ending 31st March 2023 and 31st March 2022.

38 Additional Regulatory information:

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

(i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year ending 31st March 2023 and 31st March 2022.

(ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ending 31st March 2023 and 31st March 2022.

(iii) The Coompnay do not have any Benami property as on 31st March 2023 and 31st March 2022, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iv) The Company do not have any prior period errors in financial year ending on 31st March 2023 and 31st March 2022 to be disclosed separately in Statement of changes in equity.

(v) The Company has no cases of any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in the financial year ending 31st March 2023 and 31st March 2022.

(vi) During the financial year 2022-23 and 2021-22, the Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

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

(vii) During the financial year 2022-23 and 2021-22, the Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

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

(viii) The Company has not granted any loans and advances in the nature of loans to promoters, directors, KMP and other related parties in the financial year ending 31st March 2023 and 31st March 2022 except the mobilization advance of Rs 5,000.00 lakhs given in FY 22-23,.

(ix) The Company does not have any immovable properties as at 31st March 2023 and 31st March 2022.

(x) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority in the financial year 2022-23 and 2021-22.

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

(xii) The Company does not have any transactions in financial year 2022-23 and 2021-22, where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(xiii) The Company have not entered into any scheme(s) of arrangements during the year ending 31st March 2023 and period ending 31st March 2022.

(xiv) The Company has not entered in any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year 2022-23 and 2021-22 in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961.

(xv) Company has not received any grants and donations during the year ending 31st March 2023 and period ending 31st March 2022.

(xvi) The Company does not have any Capital Work- in- Progress as at 31st March, 2023 and 31st March, 2022. So, ageing of Capital Work- in- Progress is not applicable.

(xvii) The Company does not have any Investment Property as at 31st March, 2023 and 31st March, 2022, so fair valuation of investment property is not applicable.

(xviii) The Company does not have any Intangible Assets and Intangible Assets under Development as at 31st March, 2023 and 31st March, 2022.

(xix) The Company follows cost model for recognition of Property, plant and equipment and accordingly, has not revalued any of its Property,plant and equipment during the FY 2022-23 and in FY 2021-22, the Company does not have any Property,plant and equipment.

(xx) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017 are not applicable on the company.

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

(xxi) The following accounting ratios are disclosed:

S.No	Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for change more than 25%
a)	Current ratio (in times)	Current Assets	Current Liabilities	2.82	1.44	95.83%	The Company was incorporated on 23rd December, 2021 and commenced its construction activities in the later half of the current year upon declaration of appointed date by NHAI. The variation in financial ratios is primarily due to the initial stabilising phase of the Company.
b)	Debt-equity ratio (in times)	Total Debt	Shareholder's Equity	0.59	-	100.00%	
c)	Debt service coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+ Interest	Debt service = Interest & Lease Payments + Principal Repayments	16.73	-	100.00%	
d)	Return on equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	1.21	-1.31	192.37%	
e)	Inventory turnover ratio (in times)	Cost of goods sold	Average Inventory	-	-	N.A.	
f)	Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivable	1.25	-	100.00%	
g)	Trade payable turnover ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	-	-	N.A.	
h)	Net capital turnover ratio (in times)	Revenue from Operations	Working capital = Current assets – Current liabilities	0.79	0.67	17.91%	
i)	Net profit ratio (in %)	Net Profit	Revenue from Operations	0.48	(3.71)	112.94%	
j)	Return on capital employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.02	-	100.00%	
h)	Return on investment (in %)	Income generated from Investments (Finance Income)	Investment	-	-	N.A.	

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IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED CIN-U45309DL2021GOI391629

39 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.

40 Recent pronouncement

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

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

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

Ind AS 12 - Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that is does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

41 Other disclosures

(i) The company is incorporated on 23rd December 2021 as wholly owned subsidiary of Ircon International Limited

(ii) Ircon Akloli-Shirsad Expressway Limited (IrconASEL) has entered in to service concession arrangement on 27th January 2022 with National Highway authority of India (NHAI) in terms of which NHAI (Authority) has authorised the company to carry the business of Construction of Eight Lane access controlled Expressway from Km 3.000 to Km 20.200 (design length 17.200 km) from Shirsad to Akloli Section SPUR of Vadodara Mumbai Expressway(hereinafter called the "Vadodara Mumbai Expressway) in the State of Maharashtra under Bharatmala Pariyojana (Phase II-Package XIV) by Eight laning thereof (the "Project") on Hybrid Annuity basis, which shall be partly financed by the concessionaire who shall recover its investment and costs through payment to be made by the authority, in accordance with the terms and conditions set in the concession agreement.

IrconASEL has awarded the above mentioned work to Ircon International Limited at a fixed cost of Rs.1060.23 crore plus GST on EPC Contract basis.

The company has entered into loan agreement for Rs. 686.37 Crore to finance the aforesaid project from Bank of Baroda on 26.08.2022 and Appointed date has been noted by NHAI on 10.11.2022. The Company has received the disbursement of loan of Rs. 30.70 Crore in the financial year 2022-23.

(iii) There is no change in the authorised and issued share capital of the Company during the year. However, the Promoter Company, Ircon International Limited in its 285th Board Meeting held on 6th April, 2023, has approved the modification of capital structure of the Company to increase the equity capital contribution by Rs.17.11 crore and reduce the Quasi-Equity (Interest Free Loan) with equivalent amount as per Lender Banks's Sanctioned term. Thus, there will be no additional financial implication on Promoter Company. Accordingly, the company will take necessary action to increase the authorised share capital to enable the company to increase its paid up share capital as per Lender Banks's Sanctioned term.

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

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

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

As per our report of even date attached
For Rajendra K Goel & Co.
Chartered Accountants
ICAI Firm Registration No. :-001457N

R.K. Goel
Partner
ICAI Membership No.: 06154

Place : New Delhi
Date : May 12, 2023

RAJENDRA K. GOEL & CO.
Chartered Accountants
NEW DELHI

For and on behalf of the Board of Directors

Masood Ahmad
(Director)
(DIN:-09008553)

B. Mugunthan
(Director)
(DIN:-08517013)

IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED
CIN-U45309DL2021GOI391629

महानिदेशक लेखापरीक्षा का कार्यालय
रेलवे वाणिज्यक ,नई दिल्ली
C/o भारत के नियंत्रक और महालेखा परीक्षक
Office of the Director General of Audit
Railway Commercial, New Delhi
C/o Comptroller and Auditor General of India
4, दीनदयाल उपाध्याय मार्ग, नई दिल्ली 4, Deen Dayal Upadhyaya Marg, New Delhi-110002

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

संख्या: DGA/RC/AA-IASEL/78-16/2023-24/1266 दिनांक:24.07.2023

सेवा में,

मुख्य वित्त अधिकारी,
इरकॉन अक्लोली-शिरसाद एक्सप्रेसवे लिमिटेड
सी-4, जिला केंद्र, साकेत,
नई दिल्ली-110007

महोदय,

विषय: 31 मार्च 2023 को समाप्त वर्ष के लिए इरकॉन अक्लोली-शिरसाद एक्सप्रेसवे लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ |

मैं, इरकॉन अक्लोली-शिरसाद एक्सप्रेसवे लिमिटेड के 31 मार्च 2023 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ |

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

भवदीय,

संलग्न :यथोपरि

डॉ. नीलोत्पल गोस्वामी
महानिदेशक (रेलवे वाणिज्यक)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013, ON THE FINANCIAL STATEMENTS OF IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of **Ircon Akloli-Shirsad Expressway Limited** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013, is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (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 12 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of Ircon Akloli-Shirsad Expressway Limited for the year ended 31 March 2023 under Section 143 (6)(a) of the Act.

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

Place: New Delhi
Dated: 24.07.2023

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

IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED

(‘IrconASEL’)

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

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

Tel.: +91-11-29565666 | Fax: +91-11-26522000, 26854000

E-mail id: cospv.ircon@gmail.com