

ANNUAL REPORT 2025

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

(A Wholly owned subsidiary of Ircon International Limited)

(CIN: U45500DL2017GOI317401)

ircondhhl



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BOARD OF DIRECTORS

Mr. Yogesh Kumar Misra
Chairman



Mr. Masood Ahmad
Director



Mr. Santanu Mukherjee
Director



Ms. Aradhana Garg
Director



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

KEY MANAGERIAL PERSONNEL

Shri Goutam Kumar Mishra	: Chief Executive Officer
Shri Lalit Mohan	: Chief Financial Officer
Shri Vikash Awasthi	: Company Secretary

AUDITORS

M/s G A C S & Associates Chartered Accountants	: Statutory Auditor
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M/s Singhal Sunil & Associates, Chartered Accountants	: Internal Auditor
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M/s. A.K Rastogi & Associates Company Secretary	: Secretarial Auditor
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M/s. R M Bansal & Co., Cost Accountant	: Cost Auditor
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BANKERS

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

CONTACT PERSON

REGISTERED OFFICE

Shri Vikash Awasthi
Company Secretary
E-mail: ircondhhl@gmail.com

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



CHAIRMAN'S MESSAGE

Dear Shareholders,

I am delighted to welcome you all at the Eighth (8th) Annual General Meeting of Ircon Davanagere Haveri Highway Limited (IrconDHHL) and present the Audited Statements for the Financial year 2024-25. I would like to thank each one of you for making it convenient for joining this meeting.

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

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

The concession period of the project comprises of construction period of 912 days (30 months) commencing from the Appointed Date i.e. January 24, 2018 (as fixed by NHAI) and operation

and maintenance period of 15 years commencing from COD, with the total project bid cost is ₹1177 Crore plus escalation excluding Operation & Maintenance (O&M) cost. The scope of work comprises of six-laning of 78.923 Km (total length of Highway) of existing four lane main carriageway along with construction of 154.654 Km of service road length including major bridges, culverts, Vehicular underpasses, pedestrian underpasses, flyovers and other allied works.

The Scheduled date of completion of project was 24.07.2020. NHAI had approved Extension of Time (EOT) for the Project on account of COVID-19 upto 28.05.2021 and issued Provisional Completion Certificate (PCC) w.e.f 28.05.2021. Accordingly, from the said date, the project had entered into operation and maintenance phase for the period of 15 years. The first 08(Eight) annuity payments have been received along with O&M payments and 9th annuity payment is due on 24.11.2025.

The Operation and Maintenance contract for the completed works was initially awarded by IrconDHL to M/s G R Engineers, Mathura (U.P) for 2 years from 07.10.2021 & extension of the Contract was granted upto 31.01.2024. Subsequently, the work for a further period of O&M for 2 years has been awarded to IRCON INTERNATIONAL LIMITED vide LOA dated 22.12.2023. Now, IRCON has assumed the responsibility of the O&M work from 01-02-2024 onwards.

Due to hindrances not attributable to the Company, the Authority had descoped the work of 6.88 Km of Main Carriage Way, 49.848 Km of Service Road and Project facilities. On request for rescoping of descoped work by the Company, NHAI has rescoped the work. A Settlement Agreement for the execution of balance scope of work has been signed on 25.04.2023 and the work is to be completed within the execution target of 18 months i.e. upto 31.10.2024. Thus, completing the entire scope of work as envisaged in the Concession Agreement as per Original Bid Project Cost. The rescoped works are being executed by the EPC Contractor (IRCON). However, due to the non-availability of encumbrance-free land arising from various hindrances, the proposal for an extension of time(EOT) upto 31.12.2025 has been submitted to the Authority which is currently under review.

Financial Performance

During the year, IrconDHL achieved Total Income of ₹16,808.51 Lakhs (including other income of ₹802.87 Lakhs and profit/(Loss) after tax ₹2376.39 Lakhs for the Financial Year 2024-25.

IrconDHHL has been sanctioned Term Loan facility of ₹502.76 Crore from Punjab National Bank (PNB) to finance the project, out of which ₹362.97Crore has been availed and ₹275.04 Crore outstanding as on 31st March, 2025.

Compliances and Disclosures

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

Memorandum of Understanding (MOU)

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

Acknowledgements

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

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

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

Sd/-
(Yogesh Kumar Misra)
Chairman
DIN: 07654014

Date:29.07.2025

Place: New Delhi

DIRECTORS' REPORT

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED



Dear Members,

Your Directors have immense pleasure in presenting the **8th Annual Report** together with the Audited Financial Statements of the Company for the year ended March 31, 2025.

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

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

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

carriageway along with construction of 154.654 Km of service road length including major bridges, culverts, Vehicular underpasses, pedestrian underpasses, flyovers and other allied works.

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The Operation and Maintenance contract for the completed works was initially awarded by IrconDHHL to M/s G R Engineers, Mathura (U.P) for 2 years from 07.10.2021 & extension of the Contract was granted upto 31.01.2024. Subsequently, the work for a further period of O&M for 2 years has been awarded to IRCON INTERNATIONAL LIMITED vide LOA dated 22.12.2023. Now, IRCON has assumed the responsibility of the O&M work from 01-02-2024 onwards.

Due to hindrances not attributable to the Company, the Authority had descoped the work of 6.88 Km of Main Carriage Way, 49.848 Km of Service Road and Project facilities. On request for rescoping of descoped work by the Company, NHAI has rescoped the work. A Settlement Agreement for the execution of balance scope of work was signed on 25.04.2023 and the work is to be completed within the execution target of 18 months i.e. upto 31.10.2024. Thus, completing the entire scope of work as envisaged in the Concession Agreement as per Original Bid Project Cost. The rescoped works are being executed by the EPC Contractor (IRCON). However, due to the non-availability of encumbrance-free land arising from various hindrances, the proposal for an extension of time(EOT) upto 31.12.2025 has been submitted to the Authority which is currently under review.

2. **FINANCIAL HIGHLIGHTS:**

In pursuance of the provisions enumerated under Companies (Indian Accounting Standards) Rules, 2015, the Company, has prepared its annual financial statements for the Financial Year 2024-25 as per Indian Accounting Standards (IND AS).

Financial performance indicators as on 31st March 2025:

(Amount in ₹ In Lakh)

S.No.	Particulars	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
1.	Equity Share Capital	17, 300.00	17,300.00
2.	Other Equity (includes Reserves and Surplus)	9,793.50	7,417.11

3.	Net Worth	27,093.50	24,717.11
4.	Borrowings (Long term)	29,925.34	32,217.45
5.	Total Assets and Liabilities	62,805.00	61,126.57
6.	Revenue from Operations	16,005.84	12,619.42
7.	Other Income	802.87	577.98
8.	Total Income (6) + (7)	16,808.51	13,197.40
9.	Profit Before Tax (8)-(11)	3,192.66	3,212.67
10.	Profit/(Loss) After Tax	2,376.39	2,387.82
11.	Balance of Profit/loss for earlier years	6031.09	3643.27
12.	Balance carried forward	8407.42	6031.09

During the year, IrconDHHL achieved Total Income of ₹16,808.51 Lakhs (including other income of ₹802.87 Lakhs) and profit/(Loss) after tax for the Financial Year 2024-25 of ₹2,376.39 Lakhs.

During the FY 2024-25, CARE Ratings Limited has provided CARE AA-; Stable rating for the long-term bank facilities of ₹281.32 Crore to your Company.

3. DIVIDEND & APPROPRIATION TO RESERVE:

The Board of Directors does not recommend any dividend for the financial year 2024-25.

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 ₹8,407.50 Lakhs in Retained Earnings as on March 31, 2025.

4. SHARE CAPITAL/ DEMATERIALISATION:

The Authorized Share Capital and the Paid-up Share Capital of the Company as on 31st March 2025 is ₹217.05 Crore comprising of 21,70,50,000 Equity Shares of ₹10/- each and ₹173 Crore comprising of 17,30,00,000 Equity Shares of ₹10/- each, respectively. During the year under review, there was no change in the share capital of your Company and Ircon International Limited (IRCON) continues to hold 100% paid-up share capital of IrconDHHL.

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

5. CASH FLOWS FROM THE PROJECT:

The total -Cash Flows from the project activities during the year is ₹3,451.00 Lakh.

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

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

7. BOARD OF DIRECTORS & KEY MANAGEMENT PERSONNEL:

Board of Directors:

CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION DURING THE YEAR 2024-25

During the year under review, the holding company, IRCON International Limited (IRCON), vide letter no. IRCON/CO/EDF/Duty List/9161 dated 15th April, 2024, nominated Shri Rabindra Kumar Jaiswal, CGM/Finance/Tax, IRCON, as the Part-time Director (Additional Director) on the Board of your Company w.e.f April 30, 2024.

Subsequently, IRCON International Limited (IRCON), vide letter no. IRCON/CO/EDF/Duty List/2024/2 dated 23rd December, 2024 Shri Rabindra Kumar Jaiswal ceased to be a Director on the Board of your Company due to his superannuation with effect from January 31, 2025 and nominated Shri Santanu Mukherjee, CGM/Finance/II, IRCON, as the Part-time (Nominee) Director (Additional Director) on the Board of your Company with effect from January 3, 2025, in place of Shri Jaiswal, and delegated to him all the powers and responsibilities previously assigned to Shri Jaiswal.

As per Articles of Association of the Company, the Board of the Company is appointed by the holding company, IRCON. As on 31.03.2025, total no. of Directors is Four (4) including Chairman and all the directors are nominated by the Holding Company. During the FY 2025, Company's management is headed by the following Non-Executive (Nominee) Directors: -

Category, Name & Designation	DIN	Appointment or Cessation (during the year, if any)
Mr. Yogesh Kumar Misra, Chairman	07654014	-
Mr. Masood Ahmad, Director	09008553	-
Mrs. Aradhana garg, Director	10477168	-
Mr. Rohit Parmar, Director	08190141	Cessation w.e.f. 24.04.2024
Mr. Ravindra Kumar Jaisawal, Director	10610969	Cessation w.e.f 31.01.2025
Mr. Santanu Mukherjee, Director	10895834	Appointment w.e.f 03.01.2025

Shri Santanu Mukherjee, Director (DIN: 10895834), was appointed as Additional Part-time Directors of the Company w.e.f. 3rd January 2025, who holds their office upto the date of ensuing Annual General Meeting and their appointments are proposed to be regularized at the ensuing AGM of the Company and has been included in the notice of ensuing AGM.

The Company has received a notice under section 160 of the Companies Act, 2013 from Mr. Santanu Mukherjee giving their candidature for appointment as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

During the year, Mr. Rohit Paramar and Mr. Ravindra Kumar Jaiswal, ceased to be Directors of the Company and the Board placed on record its appreciation for their valuable contribution and guidance and support given by them during their tenure as Directors of the Company.

Ms. Aradhana Garg, Director (DIN 10477168) retires by rotation and being eligible, offers herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment along with other required details forms part of the Notice.

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

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act 2013, the Key Managerial Personnel (KMP) of the Company during the FY 2025 are as follows:

Name	Designation
Mr. Goutam Kumar Mishra	Chief Executive Officer
Mr. Mahadeb Mandal	Chief Financial Officer (Cessation w.e.f 01.07.2025)
Mr. Lalit Mohan	Chief Financial Officer (appointment w.e.f 01.07.2025)
Mr. Pradeep Kumar Baisoya	Company Secretary (cessation w.e.f 14.02.2025)
Mr. Vikash Awasthi	Company Secretary (appointment w.e.f 16.04.2025)

8. Board Meetings:

During the FY 2024-25, the Board met Four (4) times on 10.05.2024, 02.08.2024, 29.10.2024, and 31.01.2025. The interval between the Board Meetings was within the period prescribed under the Companies Act, 2013. The attendance detail of the Board Meetings is as follows:

Date of The Meeting	Board Strength	No. of Directors Present
10.05.2024	4	4
02.08.2024	4	4
29.10.2024	4	4
31.01.2025	5	5

The table below shows attendance of the Board members at the Board Meetings held during the FY 2024-25 and their attendance in the last Annual General Meeting (AGM):

Name of Director	Meeting Date				Whether attended last AGM held on 12.08.2024	Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	10.05.2024	02.08.2024	29.10.2024	31.01.2025				
Shri Yogesh Kumar Misra	✓	✓	✓	✓	✓	4	4	100
Shri Masood Ahmad	✓	✓	✓	✓	✓	4	4	100
Shri Rabindra Kumar Jaiswal (up to 31.01.2025)	✓	✓	✓	✓	✓	4	4	100
Shri Santanu Mukherjee (from 03.01.2025)	NA	NA	NA	✓	NA	1	1	100
Smt Aradhana Garg	✓	✓	✓	✓	✓	4	4	100

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

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

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

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

10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- a) that in the preparation of the annual financial statements for the year ended 31st March 2025, 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, 2025 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. DIRECTORS' OBSERVATION AND COMMENTS FOR FINANCIAL STATEMENTS (EXPLANATION FOR ANY COMMENTS MADE BY AUDITORS IN THEIR REPORT:

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

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

12. AUDITORS:

Statutory Auditor:

M/s G A C S & Associates, Chartered Accountants, had been appointed as Statutory Auditors, for the Financial year 2024-25 vide CAG letter No. CA. V/COY/ Central Government, IDHHL(I)333 dated 21.09.2024. They have confirmed by way of a written consent and certificate as required under Section 139(1) of the Companies Act, 2013.

Cost Auditor:

The Board of Directors had re-appointed M/s. R.M Bansal Co., Cost Accountant, as Cost Auditor of the Company for the FY 2024-25 for conducting the audit of cost records maintained by the Company as per the applicable Rules / Guidance Note, etc.

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

Secretarial Auditor:

The Board of Directors had appointed M/s. A.K Rastogi & Associates, Company Secretary, as Secretarial Auditor of the Company for the FY 2024-25.

Internal Auditor:

The Board of Directors had appointed M/s Singhal Sunil & Associates, Chartered Accountants, as Internal Auditors for the FY 2024-25, to conduct the Internal Audit of the Company.

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

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

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

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

16. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

Since, the net profit of the Company for the financial year ended March 31, 2024 was ₹32.12 Crore which exceeds the above mentioned threshold limit, therefore, the provisions of CSR under Section 135 of the Companies Act, 2013 was applicable on the Company from FY 2024-25.

During the period under review, the CSR budget of the Company was Rs.50.14 Lakhs. Therefore, the requirement for constitution of CSR Committee pursuant to Section 135 of the Companies Act, 2013 was applicable to the Company.

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

S. No.	Name of the project/activity	Whether the project/activity was taken up the Company directly or through any agency/entity? If yes, name of agency/entity	Sector	Location of the project/State	Amount spent in the current financial year (Rs. in lakh)
1.	Comprehensive Health outreach programme for screening & eradication of the anaemia in Dist. Nuh, Haryana	Bisnoul Sarvodya Gramodya Sewa Sansthan	Health & Nutrition	Nuh, Haryana	35.60 Lakh
2.	Distribution of 6 Nos. of Digital Video Colposcope Machine	Direct	Health & Nutrition	Haveri, Karnataka	14.55 Lakh

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

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

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

A. Conservation of energy: -

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

B. Technology absorption: -

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

C. Foreign exchange earnings and Outgo: -

There was no Foreign Exchange Earnings and Foreign Exchange Outgo during the year 2024-25.

18. RISK MANAGEMENT:

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

19. PARTICULARS OF EMPLOYEES:

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

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

20. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the Company during the financial year 2024-25.

21. PUBLIC DEPOSITS:

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

22. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate system of internal financial controls with reference to financial statements. All the transactions were properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of account and reporting in the financial statements. Your Company

continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

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

No order has passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the FY 2024-25.

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

In exercise of powers conferred by section 9 of the Micro, Small and Medium Enterprise Development Act, 2006, the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than ₹250 Crore and all CPSEs shall be required to get themselves on-boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. The Registrar of Companies (RoC) in each State shall be the competent authority to monitor the compliance of such instructions and also the Department of Public Enterprises, Government of India shall be the competent authority to monitor the compliance of such instructions by the CPSEs. In compliance with the above instruction, the Company has boarded on the TReDS platform w.e.f. 13.12.2019, to facilitate the financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date.

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

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

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

The number of sexual harassment complaints received during the year	-	0
The number of such complaints disposed off during the year	-	0
The number of cases pending for more than ninety days	-	0

26. STATEMENT ON MATERNITY BENEFIT COMPLIANCE

The Company is complying with the provisions relating to the Maternity Benefit Act, 1961

27. VIGIL MECHANISM:

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

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

Mr. Masood Ahmad, Director

Ircon Davanagere Haveri Highway Limited (IrconDHHL)

Address: Ircon International Limited,

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

Phone No.: +919560595062

Email id: masood.ahmad@ircon.org

28. RIGHT TO INFORMATION:

No application under Right to Information Act, 2005 has been received by the company during the FY 2024-25, however, RTI application transferred from DPE was duly replied during the FY 2024-25.

29. PERFORMANCE EVALUATION OF BOARD MEMBERS:

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

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

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

30. SECRETARIAL STANDARDS

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

31. SECRETARIAL AUDIT REPORT

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

32. STATUTORY AUDITORS’ REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for financial year 2024-25 with Nil observation are attached separately as part of the Annual Report. The report is self-explanatory and does not require any further comments by the Board.

Comptroller & Auditor General of India (C&AG) has also conducted supplementary audit of the financial statements for the year ended 31st March, 2025 and given NIL comments vide its letter dated 07th July, 2025.

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.

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

35. ACKNOWLEDGEMENT:

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

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

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

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

Date:29.07.2025

Place: New Delhi

ANNEXURE - 1
FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for the period ending in 31.03.2025

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

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

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

Date: 29.07.2025
Place: New Delhi

Sd/-
(Yogesh Kumar Misra)
Chairman
DIN: 07654014

ANNEXURE - 2

Annual Report on CSR & Sustainability

1. Brief outline on CSR Policy of the Company.

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

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

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

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

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

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

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

2. Composition of CSR Committee:

Member	No. of Meeting of CSR Committee held during the year*	No. of Meeting of CSR Committee attended during the year*
Mr. Masood Ahmad, Chairman	NA	NA
Mr. Santanu Mukherjee, Member	NA	NA

*NA denotes Not Applicable as no CSR Committee meeting was held during the FY 2024-25.

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

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

Not applicable for this financial year. Further, none of the Completed CSR activities taken up during FY 2024-25 were Rs.1 crore or above for which impact assessment is required.

5. (a) Average net profit of the company as per sub-section (5) of section 135: **Rs.2506.92**

(b) Two percent of average net profit of the company as per section 135(5): **Rs.50.14 Lakhs**

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs.50.14 Lakhs**

6.

(in Lakhs)

(a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects).	Rs.50.15
(b) Amount spent in Administrative Overheads :	Nil
(c) Amount spent on Impact Assessment, if applicable. :	Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:	Rs.50.15

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

(in Lakhs)

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

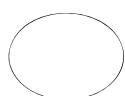
(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	50.14
(ii)	Total amount spent for the Financial Year	50.15
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.01

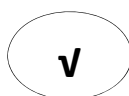
7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer	
1	2021-22	Nil					
2	2022-23						
3	2023-24						
		Nil					

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



Yes



No

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

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

Sl.No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Not Applicable						

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

Director and Chairman of the CSR Committee	Director and Chairman of the Board
Sd/- Mr. Masood Ahmad (DIN: 09008553)	Sd/- Mr. Yogesh Kumar Misra (DIN: 07654014)

Date:29.07.2025

Place: New Delhi



A.K. RASTOGI & ASSOCIATES
Company Secretaries

R-13/69, RAJNAGAR
GHAZIABAD-201002 (U.P.)
Mob: 9650990414/9650990614
anilrastogi3609@gmail.com
anil_rastogi29@rediffmail.com
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SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

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

To,
The Members,
IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
C-4, District Centre, Saket,
New Delhi- 110017

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate Practices by **IRCON DAVANAGERE HAVERI HIGHWAY LIMITED (CIN: U45500DL2017GOI317401)** hereinafter called the 'Company' for the financial year ended 31st March 2025. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and Returns filed and other records maintained by the Company for the financial year ended on 31st



March 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **NOT APPLICABLE**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **NOT APPLICABLE**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **NOT APPLICABLE**
- (v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992 ('SEBI Act')** are **not applicable** to the company as the shares of the company are not listed with stock exchanges during audit period.
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Shares based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (i) Other laws applicable specifically to the Company viz.
 - 1. The Building and Other Construction Workers' Welfare Cess Act, 1996 and rules mad thereunder.
 - 2. The Arbitration and Conciliation Act, 1996
 - 3. The Disaster Management Act, 2005

The Compliance by the Company of applicable financial laws, like direct and



indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and the other designated professionals.

We further report that Compliances/ processes/ systems under other specific applicable laws (as applicable to the industry) are being relied on the basis of periodical certificate under internal compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards as amended from time to time issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and SEBI (Listing Obligations and Disclosures Requirements), 2015 **(Not applicable to the company during Audit period)**
- (iii) DPE Guidelines on Corporate Governance for CPSE.

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

1. *The Company, being a Government Company under Section 2(45) of the Companies Act, 2013 as it is a wholly owned subsidiary of Ircon International Limited is exempted from the requirement of having Independent Directors as per Notification No. GSR 839(E) dated 5th July 2017 issued by the Ministry of Corporate Affairs, hence the Company is not required to have Independent Directors on its Board.*
2. *The Company, being a Government Company under Section 2(45) of the Companies Act, 2013, as it is a wholly owned subsidiary of Ircon International Limited is exempted from the requirement of having Independent Directors, therefore is also exempted from constitution of the Board Committees viz. Audit Committee and Nomination & Remuneration as per Section 177(1), 178(1) of the Companies Act 2013.*

We further report that:

The Board of Directors of the Company was duly constituted with Non-Executive Directors as nominated by the Promoter Company viz. IRCON INTERNATIONAL



LIMITED, as per the Articles of Association of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notices were given to all the directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and in some cases at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that during the audit period the company had no major events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For A.K. Rastogi & Associates

Company Secretaries

ICSI Unique code No P2025UP104900

Peer Review Certificate No. 3322/2023

Place: Ghaziabad

Date: 23.07.2025



(Sakshi Garg)

PARTNER

Mem. No.: A69597

COP No.: 26728

UDIN: A069597G000843271

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

**To,
The Members,
IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
C-4, District Centre, Saket,
New Delhi- 110017**

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

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

For A.K. Rastogi & Associates

Company Secretaries

ICSI Unique code No P2025UP104900

Peer Review Certificate No. 3322/2023

Place: Ghaziabad

Date: 23.07.2025



**(Sakshi Garg)
PARTNER**

Mem. No.: A69597;

COP No.: 26728

UDIN: A069597G000843271

G A C S & Associates
Chartered Accountants

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

REVISED INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statement

We have audited the accompanying Standalone Financial Statements of IRCON DAVANAGERE HAVERI HIGHWAY LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the period then ended and Notes to the Financial Statements including a summary of material accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

This report, revised consequent upon observation of comptroller of Auditor General of India during the course of audit u/s 139(5) of the Companies Act 2013 ("the Act") for the year ended 31st March 2025, supersedes our earlier report dated 2nd May 2025 u/s 143 of Companies Act 2013

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the period ended on the date.

Basis for Opinion

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



Key Audit Matters

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

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

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



of the basis used to measure revenue recognized at a point in time or over time. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

For details refer Note 2.2.4, 32 to the Standalone Ind AS Financial Statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. *Since we have not been provided with the copy of the Board Report, we are unable to comment on that.*

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

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

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



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

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

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

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

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



identified misstatements in the financial statements.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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



amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would have a material impact on its financial position.
- ii. Based on the assessment made by the Company, there are no material foreseeable losses on long-term contracts that may require any provisioning. The Company did not have any derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not proposed, declared or paid any final or interim dividend during the period and until the date of this report, therefore, the reporting under clause is not applicable.
- vi. Based on our examination, which include test checks, the company has used an accounting software (SAP) for maintaining its books of accounts for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.



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

S.No	Directions	Auditor's Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	Company is using SAP system to process all the accounting transactions. As per the information and explanation provided to us no accounting transactions have been processed outside the IT System except income billing for which no financial implication were observed.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	No; Company is having no case of any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per our examination of records, no funds have been received/receivable for any specific scheme from Central/State Government or its agencies during the period from 1 st April 2024 to 31 st March 2025.

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

Shashi Gupta
(CA. SHASHI GUPTA)

PARTNER

M. No. : 084110

UDIN :

Place : New Delhi

Date : June 13, 2025



25084110BMSAVD1005

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

i. In respect of Company's Property, Plant & Equipment:

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

ii. In respect of Inventories:

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

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

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

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

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

vii. In respect of statutory dues:

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



to us and based on audit procedures performed by us, there are no undisputed statutory dues, other than as stated below, which were outstanding as on 31.03.2025 for a period of more than six months from the date the same become payable.

- (b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2025 on account of dispute are given below:

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

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

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

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

x.

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

xi.

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

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



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

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

- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanation given to us, and based on our examination of records of the Company, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports for the period under audit, issued to the Company during the period and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanation given to us, and based on our examination of records of the Company, during the period the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the period covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the period.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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

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

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

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

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


(CA. SHASHI GUPTA)
PARTNER
M. No. : 084110
UDIN :
Place : New Delhi
Date : June 13, 2025



25084110BMSBVD1005

Annexure B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Ircon Davanagere Haveri Highway Limited for the period ended 31st March, 2025

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

We have audited the internal financial controls over financial reporting of IRCON DAVANAGERE HAVERI HIGHWAY LIMITED ("the Company") as of March 31st 2025 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, "based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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


(CA. SHASHI GUPTA)

PARTNER

M. No. : 084110

UDIN :

Place : New Delhi

Date : June 13, 2025



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IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
CIN- U45500DL2017GOI317401
Balance Sheet as at 31st March 2025
(All amounts in Indian Rupees Lakhs unless otherwise stated)

	Particulars	Note	As at 31st March, 2025	As at 31st March, 2024
I.	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	89.79	103.23
	(b) Deferred Tax Assets (net)	4	-	-
	(c) Financial Assets	5		
	(i) Loans	5.1	0.83	1.23
	(ii) Other Financial Assets	5.2	39,799.10	41,351.72
	(d) Other Non-Current Assets		-	-
	Total Non-Current Assets		39,889.72	41,456.18
2	Current assets			
	(a) Financial Assets	6		
	(i) Trade receivables	6.1	2,328.99	2,234.41
	(ii) Cash and Cash Equivalents	6.2	1,368.45	4,181.60
	(iii) Bank Balances other than (ii) above	6.3	12,277.00	5,376.00
	(iv) Loans	6.4	0.65	0.40
	(v) Other Financial Assets	6.5	5,476.48	5,238.87
	(b) Current Tax Assets (Net)	7	273.26	224.72
	(c) Other Current Assets	8	1,190.45	2,414.39
	Total Current Assets		22,915.28	19,670.39
	TOTAL ASSETS		62,805.00	61,126.57
II.	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	9	17,300.00	17,300.00
	(b) Other Equity	10	9,793.50	7,417.11
	Total Equity		27,093.50	24,717.11
2	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11.1	29,925.34	32,217.45
	(ii) Other Financial Liabilities	11.2	-	32.06
	(b) Deferred Tax Liabilities (net)	4	2.49	2.37
	Total Non-Current Liabilities		29,927.83	32,251.88
3	Current Liabilities			
	(a) Financial Liabilities	12		
	(i) Borrowings	12.1	2,291.91	2,512.00
	(ii) Trade Payables			
	- total outstanding dues of micro enterprises and small enterprises	12.2	2.38	20.51
	- total outstanding dues of creditors other than of micro enterprises and small enterprises	12.2	3,046.62	863.59
	(iii) Other Financial Liabilities	12.3	341.06	368.54
	(b) Other Current Liabilities	13	101.70	392.94
	(c) Current Tax Liabilities (Net)	14	-	-
	Total Current Liabilities		5,783.67	4,157.58
	TOTAL EQUITY AND LIABILITIES		62,805.00	61,126.57

Summary of material accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For G A C S & Associates

ICAI Firm Registration No. : 005193N

Chartered Accountants

CA Shashi Gupta

Partner

ICAI Membership No. : 084110



For and on behalf of the Board of Directors

Ircon Davanagere Haveri Highway Limited

Santanu Mukherjee
Santanu Mukherjee
Director
(DIN:- 10895834)

Vikas Awasthi
Vikas Awasthi
Company Secretary

Masood Ahmad
Masood Ahmad
Director
(DIN:- 09008553)

Goutam Kumar Mishra
Goutam Kumar Mishra
Chief Executive Officer

Manadeb Mandal
Manadeb Mandal
Chief Financial Officer

 Place: New Delhi
Date: 02.05.2025


IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
CIN- U45500DL2017GOI317401
Statement of Profit and Loss for the year ended 31st March 2025
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Note	For the year ended 31.03.2025	For the year ended 31.03.2024
Revenue :			
Revenue from operations	15.1	16,005.64	12,619.42
Other income	15.2	802.87	577.98
Total Income (A)		16,808.51	13,197.40
Expenses			
Project Expenses	16	10,491.86	6,731.38
Employee benefits expenses	17	94.82	84.13
Finance Costs	18	2,927.60	3,109.81
Depreciation and amortization expenses	3	13.67	15.91
Other expenses	19	87.90	43.50
Total expenses (B)		13,615.85	9,984.73
Profit/(Loss) before tax (A-B)		3,192.66	3,212.67
Tax expenses	4		
Current tax		816.15	821.40
Tax adjustment of earlier years		-	2.83
Deferred tax (net)		0.12	0.62
		816.27	824.85
Profit/(Loss) for the year		2,376.39	2,387.82
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		2,376.39	2,387.82
Earnings per equity share (Face Value Per Equity Share Rs. 10)	24		
Basic (In Rs.)		1.37	1.38
Diluted (In Rs.)		1.37	1.38
Face Value per Equity Share (In Rs)		10.00	10.00

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements.

1 to 40

As per our report of even date

For G A C S & Associates

ICAI Firm Registration No. : 005193N

Chartered Accountants

CA Shashi Gupta

Partner

ICAI Membership No. : 084110



For and on behalf of the Board of Directors

Ircon Davanagere Haveri Highway Limited

Santanu Mukherjee

Director

(DIN:- 10895834)

Masood Ahmad

Director

(DIN:- 09008553)

Place: New Delhi

Date: 02.05.2025

 Vikas Awasthi
Company Secretary

 Goutam Kumar Mishra
Chief Executive Officer

 Manjudeb Mandal
Chief Financial Officer


IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
CIN- U45500DL2017GOI317401
Statement of Cash flows for the year ended 31st March 2025
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars		For the year ended 31.03.2025	For the year ended 31.03.2024
A. Cash flow from operating activities			
Profit before tax		3,192.66	3,212.67
Adjustments for:			
Depreciation/Amortization		13.67	15.91
Interest Income		(6,059.16)	(6,319.79)
Interest Expenses and Other Finance Cost		2,927.60	3,109.81
Profit on Sale of Property, Plant & Equipment's		-	(2.56)
Bad Debts		-	-
Tax for the Earlier Years		-	-
Operating profit before working capital changes		74.77	16.04
Movements in working capital:			
Increase/(decrease) in other non-current liability		-	-
Increase/(decrease) in other current financial liabilities		(34.12)	(1,605.20)
Increase/(decrease) in Trade Payables		2,164.91	828.70
Increase/(decrease) in other non-current financial liabilities		(32.06)	1.38
Increase/(decrease) in other current liability		(291.24)	372.20
Increase/(decrease) in non-current provisions		-	-
Increase/(decrease) in current provisions		-	-
Decrease/(increase) in trade receivables		(94.58)	1,502.60
Decrease/(increase) in inventories		-	-
Decrease / (increase) in Loans & Other Current Financial Assets		(248.56)	(564.38)
Decrease / (increase) in Non Current Financial Assets		1,552.63	453.73
Decrease/(increase) in Current tax Asset (Net)		-	-
Decrease/(increase) in other Non-current assets		-	-
Decrease / (increase) in Other Current Assets		1,223.94	1,253.56
Cash Generated from Operation		4,315.69	2,258.63
Less : Income Tax Paid		(864.69)	(1,193.24)
Net cash flow from/(used in) operating activities	(A)	3,451.00	1,065.39
B. Cash flows from investing activities			
Purchase of PPE including CWIP		(0.23)	(9.10)
Sale of PPE		-	8.50
Interest Income		6,070.25	6,456.91
Bank balance other than cash and cash equivalents		(6,901.00)	848.00
Net cash flow from/(used in) investing activities	(B)	(830.98)	7,304.31
C. Cash flow from financing activities			
Repayment of Loan to PNB		(2,512.20)	(2,512.16)
Proceeds from fresh issue of share capital		-	-
Interest Expenses and Other Finance Cost		(2,920.97)	(3,109.81)
Loan From Ircon International Limited as quasi capital		-	-
Net cash flow from/(used in) in financing activities	(C)	(5,433.17)	(5,621.97)
Net increase/(decrease) in cash and cash equivalents	(A + B + C)	(2,813.15)	2,747.73
Cash and cash equivalents at the beginning of the year		4,181.60	1,433.87
Closing cash and cash equivalents		1,368.45	4,181.60
Notes:			
1. Figures in brackets indicate cash outflow.			
2. The Statement of Cash flows has been prepared under the Indirect method set out in Ind AS-7 'Statement of Cash Flow' notified under the Companies (Indian Accounting Standards) Rules, 2015.			
3. Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Statement of Cash Flows:			
Particulars		As at 31st March, 2025	As at 31st March, 2024
Components of cash and cash equivalents*			
- Cash on hand		-	-
- With banks in current account		1,018.45	14.60
- Deposit with original maturity of less than 3 months		350.00	4,167.00
Total cash and cash equivalents as per Balance Sheet and Statement of Cash Flows		1,368.45	4,181.60

*Earmarked Fund



4. Reconciliation of Liabilities arising from financing activities - Principal

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Loan from Holding	Loan from Bank	Loan from Holding	Loan from Bank
Opening balances	4,713.00	30,016.45	4,713.00	32,528.61
Movement during the year:				
- Repayments of Borrowings	-	(2,512.20)	-	(2,512.16)
- Borrowing taken during the year	-	-	-	-
Closing balances	4,713.00	27,504.25	4,713.00	30,016.45

Reconciliation of Liabilities arising from financing activities - Interest

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Interest on Loan from Holding Co.	Interest on Loan from Bank	Interest on Loan from Holding Co.	Interest on Loan from Bank
Opening balances	-	-	-	-
Movement during the year:				
- Interest Accrued during the year	426.97	2,492.04	415.49	2,660.86
- Interest Paid during the year	(426.97)	(2,485.41)	(415.49)	(2,660.86)
Closing balances	-	6.63	-	-

Summary of material accounting policies

The accompanying notes are an integral part of the financial statements.

2
1 to 40

As per our report of even date

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

CA Shashi Gupta
Partner
ICAI Membership No. : 084110



For and on behalf of the Board of Directors
Iron Davanagere Haveri Highway Limited

Santanu Mukherjee
Santanu Mukherjee
Director
(DIN:- 10895834)

Vikas Awasthi
Vikas Awasthi
Company Secretary

Masood Ahmad
Masood Ahmad
Director
(DIN:- 09008553)

Goutam Kumar Mishra
Goutam Kumar Mishra
Chief Executive Officer

Meharab Mandal
Meharab Mandal
Chief Financial Officer

Place: New Delhi
Date: 02.05.2025



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
CIN- U45500DL2017GOI317401
Statement of changes in equity for the year ended 31st March 2025
(All amounts in Indian Rupees Lakhs unless otherwise stated)
(a) Equity Share Capital

Particulars	Amount
Balance as at 01st April, 2023	17,300.00
Changes in equity share capital during the year	-
Balance as at 31st March 2024	17,300.00
Balance as at 01st April, 2024	17,300.00
Changes in equity share capital during the year	-
Balance as at 31st March 2025	17,300.00

(b) Other Equity

Particulars	Reserves & Surplus	Other Comprehensive Income	Quasi equity	Total
	Retained Earnings			
Balance as at 01st April, 2023	3,643.28	-	1,386.00	5,029.28
Profit for the year	2,387.83	-	-	2,387.83
Other Comprehensive income for the year	-	-	-	-
Total Comprehensive Income for the year	2,387.83	-	-	2,387.83
Addition in Quasi Equity	-	-	-	-
Balance as at 31st March 2024	6,031.11	-	1,386.00	7,417.11
Balance as at 01st April, 2024	6,031.11	-	1,386.00	7,417.11
Total profit for the year	2,376.39	-	-	2,376.39
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	2,376.39	-	-	2,376.39
Addition in Quasi Equity	-	-	-	-
Balance as at 31st March 2025	8,407.50	-	1,386.00	9,793.50

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements.

1 to 40

As per our report of even date

For G A C S & Associates

ICAI Firm Registration No. : 005193N

Chartered Accountants

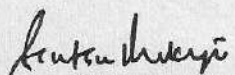
CA Shashi Gupta

Partner

ICAI Membership No. : 084110

For and on behalf of the Board of Directors

Ircon Davanagere Haveri Highway Limited



Santanu Mukherjee

Director

(DIN:- 10895834)



Masood Ahmad

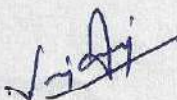
Director

(DIN:- 09008553)

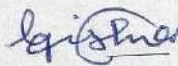


Place: New Delhi


Date: 02.05.2025



 Vikas Awasthi
Company Secretary



 Goutam Kumar Mishra
Chief Executive Officer



 Mahadeb Mandal
Chief Financial Officer


Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

1. Corporate Information

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

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

The financial statements are approved for issue by the company's Board of Directors in their meeting held on 02.05.2025.

2. Material accounting policies

2.1. Basis of preparation of Financial Statements

i. Statement of compliance

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

ii. Basis of measurement

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

- Certain financial assets and liabilities measured at fair value.

iii. Functional and Presentation Currency

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

2.2 Summary of material accounting policies

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

2.2.1. Current and non-current classification

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

2.2.2. Property, plant and equipment

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

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

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- (b) Cost directly attributable to the acquisition of the asset which incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

2.2.3. Impairment of non-financial assets

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

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

2.2.4. Revenue Recognition

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

i. Revenue from Service Concession Arrangement

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

Revenue is recognised over the time using input method (i.e., percentage-of-completion method) which is consistent with the transfer of control to the customer because there is a direct relationship between the Company's effort (i.e., cost incurred) and the transfer of service to the customer. Under input method, contract revenue is recognized as revenue by reference to the stage of completion as at the reporting date.

The stage of completion is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. However, where the Company is not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

A cumulative catch-up adjustment would be recognized in the period in which the entity is able to reasonably measure its progress. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level.

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

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

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is 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.

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

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

Such financial assets are initially measured at fair value and subsequently at amortized cost using the Effective Interest Rate (EIR) method and interest income on financial assets is presented under other operating revenue.



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

ii. Other income

Interest income is recognized using Effective Interest rate method.

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

2.2.5. Borrowing cost

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

2.2.6. Taxes

Tax expense comprises current tax and deferred income tax.

i. Current income Tax

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

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

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

ii. Deferred Tax

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

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

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

2.2.7. Employee Benefits

i. Short Term Employee Benefits

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

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

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

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

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

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

2.2.8. Cash and cash equivalents

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

2.2.9. Contingent liabilities & contingent assets

Provisions

Provisions are 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.

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

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.

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

Onerous contracts

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.

Contingent liabilities

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

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

Contingent assets

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

2.2.10. Leases

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

Company as a lessee

Short Term leases

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

2.2.11. Financial instruments

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

i. Financial assets

a) Initial recognition and measurement

All financial assets (excluding trade receivables which do not contain a significant financing component, being measured at transaction price) are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

b) Subsequent measurement

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

Financial assets at amortised cost

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

Impairment of financial assets

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

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

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

c) Derecognition of financial assets

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

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

ii. Financial liabilities

a) Initial recognition and measurement

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

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

b) Subsequent measurement

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

Financial liabilities at amortized cost

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortised cost using the EIR (Effective Interest Rate) 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 as finance costs in the statement of profit and loss.

c) Derecognition of financial liabilities

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

2.2.12. Fair value measurement

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

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

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

2.2.13. Earnings Per Share

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

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

2.2.14. Prior Period Adjustment

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

2.2.15. Significant accounting estimates and judgements

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

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

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

i. Allowances for uncollected trade receivables

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

ii. Contingencies

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

iii. Impairment of financial assets

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

iv. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2025

the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments that will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. The company establishes provisions, based on reasonable estimates.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be 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.

v. Impairment of non-financial assets

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

vi. Revenue recognition

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

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

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

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

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

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



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
CIN- U45500DL2017GOI317401
Notes to financial statements for the year ended 31st March 2025
(All amounts in Indian Rupees Lakhs unless otherwise stated)
3 Property, Plant and Equipment

Particulars	Computers	Plant and Equipments	Vehicles	Total
Gross Carrying Amount (At Cost)				
As at 01st April 2023	0.87	82.36	45.64	128.87
Additions	-	-	9.10	9.10
Disposals/Adjustments	-	-	(6.52)	(6.52)
As at 31st March 2024	0.87	82.36	48.22	131.45
As at 01st April 2024	0.87	82.36	48.22	131.45
Additions	0.23	-	-	0.23
Disposals/Adjustments	-	-	-	-
As at 31st March 2025	1.10	82.36	48.22	131.68
Depreciation and Impairment				
As at 01st April 2023	0.65	8.17	4.08	12.90
Depreciation charge for the year	0.14	10.84	4.93	15.91
Impairment	-	-	-	-
Disposals/Adjustments	-	-	(0.59)	(0.59)
As at 31st March 2024	0.79	19.01	8.42	28.22
As at 01st April 2024	0.79	19.01	8.42	28.22
Depreciation charge for the year	0.04	7.90	5.73	13.67
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
As at 31st March 2025	0.83	26.91	14.15	41.89
Net book value				
As at 31st March 2025	0.27	55.45	34.07	89.79
As at 31st March 2024	0.08	63.35	39.80	103.23

Note:

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

Estimated useful life of assets are as follows:

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

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



4 Deferred Tax Assets (Net) and Income Tax

Disclosure pursuant to Ind AS 12 "Income Taxes"

A) The major components of income tax expense for the year ended 31st March 2025 and 31st March 2024 are: -

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Current income tax		
Current income tax charge	816.15	821.40
Adjustment in respect of current tax of previous year	-	2.83
Deferred tax		
Relating to origination and reversal of temporary differences	0.12	0.62
Income tax expense reported in the statement of Profit and Loss	816.27	824.85
Other Comprehensive Income (OCI) Section		
Income tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Net loss/(gain) on foreign operation translation	-	-
Income tax expense reported in the OCI section	-	-

B) The reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2025 and 31 March 2024

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
1. Accounting profit before income tax	3,192.66	3,212.67
2. Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
3. Tax on accounting profit (3) = (1) * (2)	803.53	808.57
4. Effect of tax adjustments		
(i) Adjustments in respect of current income tax of previous years	-	2.83
(ii) Utilisation of previously unrecognised tax losses	-	-
(iii) Impact of Rate Difference	-	-
(iv) Depreciation Impact	-	-
(v) Non-deductible expenses for tax purposes:	-	-
-Other country additional tax	-	-
-Other non-deductible expenses	12.74	12.81
Deferred tax expenses/(Income)	-	-
(vi) Tax effect of various other items	-	0.65
Total effect of tax adjustments	12.74	16.29
5. Income tax expense reported in the statement of profit and loss (3+4)	816.27	824.85
6. Effective tax rate 6 = 5/1	25.57%	25.67%

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

Particulars	Statements of Profit and Loss 31-Mar-25	Balance Sheet 31-Mar-25	Statements of Profit and Loss 31-Mar-24	Balance Sheet 31-Mar-24
Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(0.12)	(2.49)	0.62	(2.37)
Net deferred tax Assets/(Liabilities)	(0.12)	(2.49)	0.62	(2.37)

D) Reflected in the Balance Sheet as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred tax assets	-	-
Deferred tax liabilities	(2.49)	(2.37)
Deferred Tax Assets/(Liabilities) (Net)	(2.49)	(2.37)

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

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

As at 31.03.2025

Particulars	Balance As at 01st April 2024 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March 2025 (Net)
Pre-incorporation expense	-	-	-	-
Difference in Book depreciation and Income tax depreciation	(2.37)	(0.12)	-	(2.49)
Carry forward losses	-	-	-	-
Net deferred tax Assets/(Liabilities)	(2.37)	(0.12)	-	(2.49)

As at 31.03.2024

Particulars	Balance As at 01st April 2023 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March 2024 (Net)
Pre-incorporation expense	-	-	-	-
Difference in Book depreciation and Income tax depreciation	(1.75)	(0.62)	-	(2.37)
Net deferred tax Assets/(Liabilities)	(1.75)	(0.62)	-	(2.37)



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5 Non Current Asset-Financial Asset
5.1 Non Current Financial Assets- Loans

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Staff Loans and Advances		
- Loan to related parties-KMP (refer note below)	0.83	1.23
Total	0.83	1.23

Note: Loan and advances in the nature of Loans granted to the related parties:

Type of Borrower	As at 31st March, 2025		As at 31st March, 2024	
	Amount of Loan or advance in the nature of loan outstanding*	% of total loans and advances in the nature of loans**	Amount of Loan or advance in the nature of loan outstanding*	% of total loans and advances in the nature of loans**
Loan to KMPs	0.83	100%	1.23	100%
Total	0.83	100%	1.23	100%

* Represents loan or advance in the nature of loan.

** Represents percentage to the total loans or advances in the nature of loans.

5.2 Other Non-Current Financial Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Security Deposit	35.02	34.77
Contract Assets:		
-From Construction Contract	39,763.84	41,316.82
Interest accrued but not due		
- Loan & advance to KMP	0.24	0.13
Total	39,799.10	41,351.72

6 Current Assets - Financial Assets
6.1 Trade Receivables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured considered good		
Unsecured considered good	2,328.99	2,234.41
Trade receivables which have significant increase in credit risk		
Trade receivables-credit impaired	2,328.99	2,234.41
Less: Impairment allowance for doubtful trade receivables		
Total	2,328.99	2,234.41

Note:

Trade Receivable Ageing Schedule for the year ended as at 31st March 2025 and 31st March 2024

For the year ended 31st March 2025

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31st, 2025 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 *	570.62	-	246.90	242.17	466.47	412.14	390.68	2,328.99
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	-	-	-	-	-	-	-	-
	570.62	-	246.90	242.17	466.47	412.14	390.68	2,328.99
Less: Impairment Allowance	-	-	-	-	-	-	-	-
Total	570.62	-	246.90	242.17	466.47	412.14	390.68	2,328.99

*Trade receivables pertains to NHAI



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For the year ended 31st March 2024

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31st, 2024 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	423.61	-	386.06	375.57	606.66	228.79	213.72	2,234.41
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	-	-	-	-	-	-	-	-
	423.61	-	386.06	375.57	606.66	228.79	213.72	2,234.41
Less: Impairment Allowance	-	-	-	-	-	-	-	2,234.41
Total	423.61	-	386.06	375.57	606.66	228.79	213.72	2,234.41

6.2 Current Financial Assets - Cash and Cash Equivalents

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with banks:		
Earmarked Funds (refer note below)		
- On current accounts	1,018.45	14.60
Other Balances (refer note below)		
- Deposits with original maturity of less than 3 months	350.00	4,167.00
Total	1,368.45	4,181.60

Note: Rs 1368.45 lakhs held in escrow account & Deposits (31st March 2024: Rs 4181.60 lakhs held in escrow account & Deposits) which are earmarked fund as per concession agreement entered with NHAI.

6.3 Current Financial Assets - Bank Balances other than Cash and Cash Equivalent

Particulars	As at 31st March, 2025	As at 31st March, 2024
Other Bank Balances		
Deposits with original maturity of more than 3 months but less than 12 months (refer note below)	12,277.00	5,376.00
Total	12,277.00	5,376.00

Note: Rs 12277.00 lakhs held in Deposits (31st March 2024: Rs 5376.00 lakhs) which are earmarked fund as per concession agreement entered with NHAI.

6.4 Current Financial Assets - Loans

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Staff Loans and Advances		
- Loan to related parties-KMP (Refer note below)	0.65	0.40
- Others	-	-
Total	0.65	0.40

Note: Loan and advances in the nature of Loans granted to the related parties:

Type of Borrower	Amount of Loan or advance in the nature of loan outstanding*	% of total loans and advances in the nature of loans**	Amount of Loan or advance in the nature of loan outstanding*	% of total loans and advances in the nature of loans**
Loan to KMPs	0.65	100%	0.40	100%
Total	0.65	100%	0.40	100%

* Represents loan or advance in the nature of loan.

** Represents percentage to the total loans or advances in the nature of loans.

6.5 Current Assets - Other Financial Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Interest Accrued but Not Due		
- Fixed Deposit	179.68	67.88
Contract Assets:		
- From Construction Contract	3,006.07	2,829.58
- Money Withheld by Client	477.19	404.97
Interest Recoverable on Financial Assets	1,813.16	1,936.06
Other Recoverable	0.38	0.38
Total	5,476.48	5,238.87

7 Current Tax Assets (Net)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Taxes Paid including TDS and Advance Tax (Net of provision for tax)	273.26	224.72
Total	273.26	224.72

8 Other Current Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Advances Recoverable from		
- Goods & Services Tax (GST)	1,156.83	2,368.68
Other Advances	-	0.59
Prepaid Expenses	33.62	45.12
Total	1,190.45	2,414.39



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9 Equity Share Capital

Particulars	As at 31st March, 2025	As at 31st March, 2024
Authorised Share Capital		
21,70,50,000 (31.03.2024 217050000) Equity shares of Rs.10 each	21,705.00	21,705.00
Issued, subscribed and fully paid-up shares		
17,30,00,000 (31.03.2024 17,30,00,000) Equity shares of Rs 10 each-fully paid	17,300.00	17,300.00
Total issued, subscribed and fully paid-up share capital	17,300.00	17,300.00

(a) Promoter's shareholding

Particulars	Shares held by Promoter at the end of the year			% change during the period
	Promoter Name	No. of shares	% of total shares	
As at 31st March, 2025	Ircon International Limited	17,30,00,000	100%	-
Outstanding at the end of the year		17,30,00,000	100%	-
As at 31st March, 2024	Ircon International Limited	17,30,00,000	100%	-
Outstanding at the end of the year		17,30,00,000	100%	-

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

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
At the beginning of the year	17,30,00,000.00	17,300.00	17,30,00,000.00	17,300.00
Add: Shares issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Outstanding at the end of the year	17,30,00,000.00	17,300.00	17,30,00,000.00	17,300.00

(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, 2025		As at 31st March, 2024	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of Rs. 10 each fully paid Ircon International Limited and its nominees*	173000000	100%	173000000	100%

*Including 800 Shares held by nominees

(f) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

(i) No shares have been allotted as fully paid-up pursuant to contract(s) without payment being received in cash.

(ii) No shares have been allotted as fully paid-up by way of bonus shares and,

(iii) No shares have been bought back.

10 Other Equity

Particulars	As at 31st March, 2025	As at 31st March, 2024
Retained Earnings	8,407.50	6,031.11
Quasi Equity (Interest Free Loan From Ircon)	1,386.00	1,386.00
Total	9,793.50	7,417.11

i) Movement as per below:
Retained Earnings

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening Balance	6,031.11	3,643.28
Transfer from surplus in statement of profit and loss	2,376.39	2,387.83
Closing Balance	8,407.50	6,031.11

Quasi Equity (Interest free Loan From Ircon)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening Balance	1,386.00	1,386.00
Add: Receipt of Quasi Equity	-	-
Closing Balance	1,386.00	1,386.00

ii) Nature and Purpose:
Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

Quasi Equity

Quasi Equity Instrument-Interest free loan /quasi equity received from holding company.



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Notes to financial statements for the year ended 31st March 2025
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11.1 Non Current Financial Liabilities - Borrowings

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured :		
Term Loan From Bank		
#Loan from Punjab National Bank**	25,212.34	27,504.45
Unsecured :		
Loan from Holding Company*	4,713.00	4,713.00
Total	29,925.34	32,217.45

The company has applied term loan for the purpose for which loan were obtained

Notes :
Un-Secured Loans

* Terms & Conditions of Loan from Holding Company(Ircon International Limited)

1. Sanction :- 26.46 Crores

- Interest rate to be charged on loan shall be at SBI one year MCLR rate prevailing from time to time plus 0.50%. Presently, the applicable Interest rate is 9.50% P.a.
- Duration of the Loan Disbursement would be a period of 6 month from the date of signing this agreement.
- Unsecured loan shall be repaid in 2.5 years starting after 12 years from COD in structured half yearly instalments.
- Interest to be calculated on monthly rest basis and payable in half yearly instalments.

2. Sanction :- 25.00 Crores

- Interest rate to be charged on the loan shall be at PNB 1-month MCLR + 0.25% (as applicable from time to time). Presently, the applicable Interest rate is 8.75% P.a.
- Duration of Loan Disbursement would be a period of 1 year from the date of signing of agreement.
- Unsecured Loan shall be repaid in 2.5 years starting after 12 years from COD or repayment of full term loan of senior lender, whichever is earlier in structured half-yearly instalments.
- Interest to be calculated on monthly rest basis.

Secured Loans

** Terms & Conditions of Loan from Punjab National Bank

1. Sanction :- 502.76 Crores

- Interest rate to be charged on loan shall be at 1 Month MCLR +0.30%. As applicable from time to time. Presently, the applicable Interest rate is 8.80% P.a.
- Repayment period will be 10 years and 6 months (Starting w.e.f 24.04.2021 and last instalment on 24.07.2031)
- Term loan shall be repaid in 42 Quarterly instalments starting from 24th April 2021.
- Interest shall be paid as and when due.
- Term Loan to be backed by unconditional & irrevocable corporate guarantee of M/s Ircan International Limited (rated CARE AAA) up to receipt of 1st annuity from NHAI or COD plus 180 days whichever is later
- The loan shall be secured by-
 - First charge by way of hypothecation of all fixed asset/ movable assets of the company(Other than project assets; Except those acquired out of the free flow of the company in operation phase) and being informed from time to time to lender.
 - First charge on the project's book debts , Operating cash flow, Receivables, Commission, Revenues of whatsoever nature and wherever arising, Present and future intangibles, goodwill and uncalled capital(Present and future).
 - A first charge on project's bank accounts, including but not limited to the escrow account opened in designated bank, where all cash inflow from the project shall be deposited and proceeds shall be utilised in a manner and priority to be decided by lender/ investors.
 - Assignment of all company's rights and interest under all the agreement related to project, letter of credit(if any), and guarantee and performance bond provided by any party for any contract related to the project in Favor of borrower.
 - Substitution agreement executed by authority on behalf of lender for the facility.
 - Assignment of all applicable insurance policies.

11.2 Other Non Current Financial Liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deposits, Retention money and Money Withheld	-	32.06
Total	-	32.06

12 Current Liabilities - Financial Liabilities
12.1 Current Financial Liabilities - Borrowings

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured :		
Term Loan From Bank		
#Current maturities of long- term debt	2,291.91	2,512.00
Total	2,291.91	2,512.00

The company has applied term loan for the purpose for which loan were obtained

*For detailed terms & condition refer note no 11.1

12.2 Current Financial Liabilities - Trade Payables

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Micro, Small and Medium Enterprises	2.38	20.51
(b) Other than Micro, Small and Medium Enterprises		
- Payable to Holding Company	3,017.33	863.36
- Payable to Others	29.29	0.23
Total	3,049.00	884.10



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Trade payables Ageing Schedule for the year ended as at 31st March 2025 and 31st March 2024

Particulars	Unbilled	Not due	Outstanding for the year ended as at 31st March, 2025 from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	2.38		-	-	-	-	2.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.29		3,017.33	-	-	-	3,046.61
Disputed dues of micro enterprises and small enterprises	-		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-		-	-	-	-	-

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

12.3 Current Financial Liabilities - Other Financial Liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
Money Withheld of Holding Company		
- Others	334.42	337.87
Interest accrued on secured borrowings	0.01	3.05
Other payable (including staff payable)	6.63	-
	-	27.62
Total	341.06	368.54

13 Other Current Liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Contract Liabilities		
- Advance from client	-	327.53
Statutory dues		
Others	101.70	65.41
Total	101.70	392.94

14 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Income tax (Net of Advance tax & TDS)	-	-
Total	-	-

15.1 Revenue from operations

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Revenue From Contract with customers:		
Contract revenue under SCA (Refer Note No 31)	10,749.02	6,874.92
Other Operating Income		
Interest Income on Financial Assets	5,256.62	5,744.50
Total	16,005.64	12,619.42



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Notes to financial statements for the year ended 31st March 2025
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15.2 Other Income

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Interest Income:		
- Interest on Term Deposit	802.55	575.29
- Interest on Staff Loan	0.11	0.13
Profit on sale of assets	-	2.56
Miscellaneous income	0.21	-
Total	802.87	577.98

16 Project Expenses

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Work Expenses		
Operation and Maintenance Expenditure	9,872.77	6,217.16
Inspection, Geo Technical Investigation & Survey Exp. Etc	308.53	234.65
Repairs and Maintenance of Machinery	125.89	77.26
Power, Electricity and Water charges	-	0.92
Insurance	104.27	113.10
	80.40	88.29
Total	10,491.86	6,731.38

17 Employee benefits expenses

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Salary & Wages		
Contribution to Provident and other Funds	80.59	67.58
Retirement Benefits	4.95	4.33
	9.28	12.22
Total	94.82	84.13

18 Finance Cost

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Interest Expense		
- Holding Company		
- Banks	426.97	415.49
- Statutory Interest	2,492.04	2,660.86
Bank Guarantee & Other Charges	-	24.13
	8.59	9.33
Total	2,927.60	3,109.81

19 Other Expenses

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Printing & Stationary expenses		
Legal & Professional charges	0.14	0.12
Auditor Remuneration	29.23	5.86
Rent	1.99	1.77
Rates and Taxes	3.31	3.31
Advertisement & publicity	0.15	-
Travelling & Conveyance	-	0.67
Bank guarantee and other charges	0.00	0.23
Corporate social responsibility (Refer note no 35)	0.02	1.34
Miscellaneous Expenses	50.15	29.32
	2.33	0.86
Total	87.90	43.50

(i) Payment to the Statutory Auditors

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
(a) Audit Fee - current year		
(b) Limited Review Fees	1.06	0.96
(c) Tax Audit Fees - current year	0.61	0.53
	0.32	0.28
Total	1.99	1.77



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20 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 (Previous year: Nil).

21 Disclosure as per Ind AS 19 on Employee benefits

- a. The employees in Ircon Davanagere Haveri Highway Limited are posted on Deputation/secondment basis from Ircon International Limited (Holding Company).
- b. In terms of accounting policy of the Company (Note No. 2.2.7) and arrangement with the Holding Company, the provision for Retirement Benefits such as provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits of nominated employees is being made by Holding company in terms of Ind AS-19. The amount paid or payable towards provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits to the holding company are included in "Employee Benefit Expenses" (Note 17).
- c. Provident Fund Contribution of the employees on nomination/secondment have been regularly deposited by the holding company with its P.F Trust.
- 22 The Company has adopted certain new accounting standards and amendments effective from April 1, 2024. Ind AS 117, Insurance Contracts, which replaces Ind AS 104, provides comprehensive guidance on the recognition, measurement, presentation, and disclosure of insurance contracts; however, it had no impact on the Company's financial statements as the Company has not entered into any insurance contracts. Further, an amendment to Ind AS 116, Leases, relating to lease liabilities arising from sale and leaseback transactions, was also notified. Since the Company has not undertaken any such transactions, the amendment did not affect its financial statements. As of the reporting date, there are no new standards that have been notified but are not yet effective.

23 Related Party Disclosures

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

- a) **List of Related Parties**
- (i) **Holding company**
 Ircon International Limited
- (ii) **Key Management Personnel (KMP)**

Name	Designation
Shri Masood Ahmed (w.e.f. 2nd August 2021)	Director
Ms. Aradhana Garg (w.e.f. 23rd January 2024)	Director
Shri Rohit Parmar (w.e.f. 1st June 2022 to 24th April 2024)	Director
Shri Yogesh Kumar Mishra (w.e.f. 1st February 2024)	Director
Shri Santanu Mukherjee (w.e.f. 3rd January 2025)	Director
Shri Rabindra Kumar Jaiswal (30th April 2024 to 31st January 2025)	Director
Shri Mahadeb Mandal (w.e.f. 1st July 2021)	Chief Financial Officer
Shri Goutam Kumar Mishra (w.e.f. 24th August 2022)	Chief Executive Officer
Shri Pradeep Kumar Baisoya (w.e.f. 12th April 2022 to 14th Feb 2025)	Company Secretary

b) Transaction with KMP's are as under:

Particulars	(Rs. In Lakhs)	
	For the year ended 31.03.2025	For the year ended 31.03.2024
Short term employee benefits	64.75	61.01
Post employment benefits	4.30	13.04
Sitting fee	-	-
Other long-term employee benefits	9.28	3.24
Staff Welfare	-	-
Repayment of Loan	0.40	0.37
Accrued Interest on loan	0.11	0.13
Other Advance granted	0.25	-
Total	79.09	77.79

c) Transactions with other related parties are as follows:

Nature of transaction	Name of related party	Nature of relationship	(Rs. In Lakhs)	
			For the year ended 31.03.2025	For the year ended 31.03.2024
1) Reimbursement expenses	Ircon International Limited	Holding Company	26.84	33.51
2) Rent Expense (inclusive of GST)			3.31	3.31
3) O&M Expenditure			305.18	45.41
4) Interest on Loan			426.97	415.49
5) Works Contract			9,872.77	6,217.16



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

(Rs. in Lakhs)				
Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2025	As at 31st March, 2024
Balance Payable as on reporting date	Ircan International Limited	Holding Company	3,351.74	1,201.23
Unsecured Loan o/s			4,713.00	4,713.00
Equity Share Capital (Including Quasi equity)			18,686.00	18,686.00

e) Outstanding balances with the KMPs are as follows:

Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2025	As at 31st March, 2024
Loan to KMP	Mahadeb Mandal	Chief Financial Officer	1.23	1.63
Interest Accrued on loan			0.24	0.13
Other Advance	Goutam Kumar Mishra	Chief Executive Officer	0.25	-

f) Terms and conditions of transactions with related parties

- Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Balances payable of related parties at the reporting date are unsecured and settlement occurs through banking transactions. These balances are interest free except unsecured loan as mentioned in Note no 11.1 of the financial statement and loan to KMP

24 Earnings per share (EPS)

Disclosure as per Ind AS 33 'Earnings per share'

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

(b) 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 year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	Note	For the year ended 31.03.2025	For the year ended 31.03.2024
Profit attributable to Equity holders (Rs. in lakhs)			
No. of equity shares	(ii)	2,376.39	2,387.82
Weighted average number of equity shares for Basic and Diluted EPS (in Numbers)	(iii)	17,30,00,000.00	17,30,00,000.00
Earnings per share (Basic)		17,30,00,000.00	17,30,00,000.00
Earnings per share (Diluted)		1.37	1.38
Face value per share		1.37	1.38
		10.00	10.00

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

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Profit for the year as per Statement of Profit and Loss		
Profit attributable to Equity holders of the company used for computing EPS	2,376.39	2,387.82
	2,376.39	2,387.82

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

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Opening balance of issued equity shares		
Equity shares issued during the period	17,30,00,000.00	17,30,00,000.00
Equity shares outstanding as on date	-	-
Weighted average number of equity shares for computing Basic EPS	17,30,00,000.00	17,30,00,000.00
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	17,30,00,000.00	17,30,00,000.00
Weighted average number of equity shares for computing Diluted EPS	17,30,00,000.00	17,30,00,000.00



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25 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. As there is no indication of impairment, no impairment loss has been recognised during the year (Previous year: Nil).

26 Provision, Contingencies and Commitments**(a) Provisions**

Provisions has been made in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

(b) Contingent liabilities

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
(a) Claim against the company not acknowledge as debt		
- Income tax demand*		
(b) Guarantees excluding financial guarantee	347.20	347.20
(c) Other money for which the company is contingently liable	-	-

* An intimation demand order has been issued under 143(1), for an amount of Rs. 121.58 Lakh for the AY 2023-24 dated 09.01.2024 & Rs. 225.62 Lakh for the AY 2022-23 dated 01.03.2024. For the AY 2022-23, the company got relief from ITAT vide order dated 12.03.2025 where the amount of demand Rs. 121.58 Lakh was dropped. For the AY 2023-24, the company got relief from CIT(A) under section 250 of the Income tax Act, 1961 vide order dated 09.01.2024 where the amount of demand Rs. 225.62 Lakh was dropped.

(c) Contingent assets

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

(d) Commitments

Capital: Estimated amount of contracts remaining to be executed on capital account (Net of advance) and not provided for is Nil (March 31st 2024: Nil).
Other Commitments: Rs 3422.91 Lakh (March 31st, 2024: Rs. 9507.11 Lakh).

27 Segment Reporting**(i) General Information**

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

(ii) Information about geographical information

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

(iii) Information about major customer

During the year ended March 31st, 2025, Total Revenue from operation of Rs. 16,005.64 Lakh (March 31st, 2024 Rs. 12619.42 Lakh) are derived from a single customer i.e. NHAI which is more than 10% of the Company's total revenue.

28 Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, cash and short-term deposits and other financial assets. The Company is exposed to the following risks from its use of financial instruments: Credit risk, Liquidity risk and Market risk. This note presents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for measuring and managing risk.

Risk Management Framework

The Company's activities make it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems 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 continuously monitored by the management.

Cash and cash equivalents

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

Trade Receivables and other financial assets

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

(i) Exposure to credit risk

Particulars	31-Mar-25	31-Mar-24
Financial Assets for which allowance is measured using life time expected credit losses (LECL)		
Other Non Current Financial Assets		
Other Non Current Financial Assets-Loans	35.26	34.90
Cash and Cash Equivalents	0.83	1.23
Other bank balances	1,368.45	4,181.60
Current Loan & Advances	12,277.00	5,376.00
Other Current Financial Assets	0.65	0.40
	1,993.22	2,004.32
Financial Assets for which allowance is measured using Simplified approach		
Trade Receivables	2,328.99	2,234.41
Contract Asset	43,247.10	44,551.37

(ii) Provision for expected credit losses

No impairment loss has been recognised during the reporting year.

(iii) Summary of loss allowance measured using life time expected credit losses: -

Particulars	31-Mar-25	31-Mar-24
Opening Allowances		
Provided during the year		
Utilization during the year		
Amount written off during the year		
Closing Allowances		



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

Particulars	(Rs. In Lakh)	
	31-Mar-25	31-Mar-24
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written off during the year	-	-
Closing Allowances	-	-

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

 b) **Liquidity risk**

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

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

The table below provides details regarding the significant financial liabilities as at 31st March 2025 & 31st March 2024

Particulars	(Rs. In Lakh)		
	As at 31st March, 2025		
	Less than 1 Year	1-2 Years	2 years and above
Borrowings	2,291.91	2,291.91	27,633.43
Trade Payables	3,049.00	-	-
Other Financial Liabilities	341.06	-	-

Particulars	(Rs. In Lakh)		
	As at 31st March, 2024		
	Less than 1 Year	1-2 Years	2 years and above
Borrowings	2,512.00	3,456.00	28,761.45
Trade Payables	884.10	-	-
Other Financial Liabilities	400.60	-	-

 c) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market 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.

 (i) **Foreign Currency risk**

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

 (ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments affected by interest rate risk includes deposits with banks, financial assets on SCA & borrowing from bank & related party. Interest rate risk on deposits with banks are very low as interest rate is fixed for the period of financial instruments. The Company is exposed to interest rate risk arising mainly from borrowings & financial assets with floating interest rate because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

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

Particulars	31-Mar-25	31-Mar-24
Fixed rate Instrument		
Financial Asset	12,627.00	9,543.00
Financial Liabilities	-	-
Floating rate Instrument		
Financial Asset	42,769.91	44,146.40
Financial Liabilities	32,217.25	34,729.45

 d) **Excessive risk concentration**

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

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

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

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Revenue from top 5 projects	16,005.64	12,619.42

49 Fair value measurements

 a) **Financial instruments by category**

Particulars	As at 31st March, 2025		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets at Amortized Cost			
(i) Non current financial assets-Loan	-	-	0.83
(ii) Other Non current financial assets	-	-	39,799.10
(iii) Trade Receivables	-	-	2,328.99
(iv) Cash and cash equivalents & Other bank balances	-	-	13,645.45
(v) Current Loan & Advances	-	-	0.65
(vi) Other current financial assets	-	-	5,476.48
	-	-	61,251.50
Financial Liabilities at Amortized Cost			
(i) Borrowings	-	-	32,217.25
(ii) Trade Payables	-	-	3,049.00
(iii) Other financial liabilities	-	-	341.06
	-	-	35,607.31



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Particulars	As at 31st March, 2024		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets at Amortized Cost			
(i) Non current financial assets-Loan	-	-	1.23
(ii) Other Non current financial assets	-	-	41,351.72
(iii) Trade Receivables	-	-	2,234.41
(iv) Cash and cash equivalents & Other bank balances	-	-	9,557.60
(v) Current Loan & Advances	-	-	0.40
(vi) Other current financial assets	-	-	5,238.87
	-	-	58,384.23
Financial Liabilities at Amortized Cost			
(i) Borrowings	-	-	34,729.45
(ii) Trade Payables	-	-	884.10
(iii) Other financial liabilities	-	-	368.54
	-	-	35,982.09

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 2025

Particulars	Carrying Value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
(i) Non current financial assets-Loan	0.83	-	-	0.83
(ii) Other Non current financial assets	39,799.10	-	-	39,799.10
(iii) Trade Receivables	2,328.99	-	-	2,328.99
(iv) Cash and cash equivalents & Other bank balances	13,645.45	-	-	13,645.45
(v) Loans	0.65	-	-	0.65
(vi) Other current financial assets	5,476.48	-	-	5,476.48
	61,251.50	-	-	61,251.50
Financial Liabilities at Amortized Cost				
(i) Borrowings	32,217.25	-	-	32,217.25
(ii) Trade Payables	3,049.00	-	-	3,049.00
(iii) Other financial liabilities	341.06	-	-	341.06
	35,607.31	-	-	35,607.31

Carrying value and Fair value of financial assets and liabilities as at 31st March 2024

Particulars	Carrying Value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
(i) Non current financial assets-Loan	1.23	-	-	1.23
(ii) Other Non current financial assets	41,351.72	-	-	41,351.72
(iii) Trade Receivables	2,234.41	-	-	2,234.41
(iv) Cash and cash equivalents & Other bank balances	9,557.60	-	-	9,557.60
(v) Loans	0.40	-	-	0.40
(vi) Other current financial assets	5,238.87	-	-	5,238.87
	58,384.23	-	-	58,384.23
Financial Liabilities at Amortized Cost				
(i) Borrowings	34,729.45	-	-	34,729.45
(ii) Trade Payables	884.10	-	-	884.10
(iii) Other financial liabilities	368.54	-	-	368.54
	35,982.09	-	-	35,982.09

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

(i) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

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

(iii) During the FY 2024-25 & FY 2023-24, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

30 Capital Management

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

Company has taken a term loan during the FY 2024-25 Rs Nil (Previous Year Rs. Nil) from Punjab National Bank to finance its project. Company has taken Unsecured loan during the FY 2024-25 Rs Nil (Previous Year Rs. Nil) from holding company to finance its project. Following are the debt equity ratio:

Particulars	31-Mar-25	31-Mar-24
Borrowings (Note No. 11.1 & 12.1)	32,217.25	34,729.45
Long Term Debt	32,217.25	34,729.45
Equity (Note No. 9)	17,300.00	17,300.00
Other Equity (Note No. 10)	9,793.50	7,417.11
Total Equity	27,093.50	24,717.11
Debt Equity Ratio	1.19	1.41



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31 Revenue
A.
Disaggregation of Revenue

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

Type of Product or Services	For the year ended 31.03.2025					
	Revenue as per Ind AS 115			Method for measuring performance obligation		Total as per Statement of Profit and Loss
	Domestic	Foreign	Total	Input Method	Output Method	
Highway	10,749.02	-	10,749.02	10,749.02	-	16,005.64
Total	10,749.02	-	10,749.02	10,749.02	-	16,005.64

The revenue of Rs. 10749.02 Lakh is recognised over a period of time and Rs. Nil Lakh is recognised point in time.

Type of Product or Services	For the year ended 31.03.2024					
	Revenue as per Ind AS 115			Method for measuring performance obligation		Total as per Statement of Profit and Loss
	Domestic	Foreign	Total	Input Method	Output Method	
Highway	6,874.92	-	6,874.92	6,874.92	-	12,619.42
Total	6,874.92	-	6,874.92	6,874.92	-	12,619.42

The revenue of Rs 6874.92 Lakh is recognised over a period of time and Rs. Nil Lakh is recognised point in time.

B.
Contract balances

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade Receivables (Note 6.1)	2,328.99	2,234.41
Contract Assets (Note 5 & 6.5)	43,247.10	44,551.37
Contract liability (Note 13)	-	327.53

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

Movement in contract balances during the year

Particulars	As at 31st March, 2025	As at 31st March, 2024
Contract asset at the Beginning of the year	44,551.37	44,440.73
Contract asset at the end of the year	43,247.10	44,551.37
Net increase/(decrease)	(1,304.27)	110.64

For the year 2024-25, there has been net decrease of Rs. 1304.27 Lakh as compared to previous year increase by Rs. 110.64 Lakh respectively due to recognition of revenue based on input method whereas bills for workdone are certified based on contract condition Rs 9796.03 Lakh is reclassified from unbilled revenue to trade receivables during the period.

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

Particulars	As at 31st March, 2025	As at 31st March, 2024
Contract liabilities at the Beginning of the year	327.53	-
Contract liabilities at the end of the year	(327.53)	327.53
Net increase/(decrease)	(327.53)	327.53

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

Particulars	As at 31st March, 2025	As at 31st March, 2024
Amount included in contract liabilities at the beginning of the year	327.53	-
Performance obligation satisfied in previous year	-	-

D.
Cost to obtain the contract

 Amount recognised as asset as at 31st March 2025 is Rs Nil (As at 31st March 2024 is Rs Nil)
 Amount of Amortisation recognised in the statement of Profit and loss during the year is Rs Nil (FY 2023-24 Rs Nil)

E.
Cost to fulfil the contract

 Amount recognised as asset as at 31st March, 2025 is Nil (As at 31st March, 2024: Nil)
 Amount of amortisation recognised in the statement of profit and loss during the year is Nil (FY 2023-24: Nil)

F.
Transaction price allocated to the remaining performance obligations

The transaction price for remaining performance obligations shall be received over the contract period in proportion of the work performed/services provided by the Company. Information about the Company's performance obligations are summarised below.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at year end are as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Within one year	4,391.40	15,836.95
More than one year to 2 years	7,477.14	5,239.28
More than 2 years	30,479.54	32,178.92
Total	42,348.07	53,255.15

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



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32 Service Concession Arrangements

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

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

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

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

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

The Concession period shall be 15 years commencing from the Commercial operation date. At the end of the concession period, the assets will be transferred back to National Highway Authority of India (NHAI). In case of material breach in terms of agreement the NHAI and IronDHL have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

Company has recognized financial asset of Rs. 42769.91 Lakh under service concession agreement up to the period ended 31st March 2025 (31st March 2024 Rs 44,146.40 lakh) after taking into account the receivables due from NHAI on completion of milestone as per terms of the contract. The company has recognised revenue of Rs 16005.64 Lakh for the period ended on 31st March 2025 (for the period ended on 31st March 2024 Rs 12619.42 Lakh) on construction of Road under SCA and Operation Revenue as per Ind AS - 115 related to "Revenue from Customers". The company has recognized receivable under service concession arrangement and shown under Other Financial Assets which it will receive as per terms of the contract based on the completion of milestone, as on 31st March 2025. Company has received Provisional Completion certificate with effect from May 28, 2021.

Disclosure in terms of Appendix D of Ind AS 115:

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

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Contract Revenue Recognized		
Aggregate amount of cost incurred	10,749.02	6874.92
Amount of advance received from Client	10,638.10	6874.92
Amount of retention by Client	-	-
Profit/(Loss) recognised during the period for exchange of construction service for a financial asset	477.19	404.97
Gross amount due from Client for Contract Works	110.92	-
	45,576.09	46,785.78

33 Leases

a) Company as a Lessee

- The Company has no leasing arrangement which are non-cancellable in nature. Accordingly, no right of use assets and lease liabilities have been recognised by the Company.
- The Company has taken Office on lease with lease terms of 12 months or more, however lease can be terminated on one month notice by either side therefore company applies the short-term lease' recognition exemptions for such leases without any penalty.

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

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Expense relating to short-term leases (Refer Note 19)	3.31	3.31

b) Company as a Lessor

Company has no leasing arrangement as a lessor.

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

S.No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: - Principal amount due to micro and small enterprises - Interest due on above	-	-
b)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
d)	The amount of interest received and remaining unpaid at the end of each accounting year	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

35 Corporate Social Responsibility

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

A. Amount required to be spent on CSR Activities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Gross amount required to be spent by the Company during the year	50.14	29.30
Amount approved by the Board to be spent during the year	50.14	29.30

B. Amount spent on CSR Activities

Particulars	As at 31st March, 2025			As at 31st March, 2024		
	Paid in Cash	Yet to paid	Total	Paid in Cash	Yet to paid	Total
On Construction/acquisition of any asset*	-	-	-	-	-	-
On purposes other than above	50.15	-	50.15	29.32	-	29.32
Total	50.15	-	50.15	29.32	-	29.32

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
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Notes to financial statements for the year ended 31st March 2025

(All amounts in Indian Rupees Lakh unless otherwise stated)

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

Particulars	As at 31st March, 2025	As at 31st March, 2024
Contribution to Prime Minister CARES Fund for fighting against COVID-19	-	-
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	50.15	29.32
Promoting Education, including special education and employment enhancing vocation skills especially among children.	-	-
Ensuring environmental sustainability	-	-
Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	-	-
Sports	-	-
Others (including Other Admin Cost)	-	-
Total	50.15	29.32

D. Details related to unspent obligations:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unspent amount in relation to:		
- Ongoing project (##)	-	-
- Other than ongoing project (##)	-	-

Ongoing Project:

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

Other than ongoing project:

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

E. Details related to spent / unspent obligations:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening Balance	-	-
Gross amount required to be spent by the Company during the year (as per (a) above)	50.14	29.30
Amount spent by the Company during the year (as per (b) above)*	50.15	29.32
Shortfall/(Excess) amount spent by the company	(0.01)	(0.02)

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

F. Other disclosure:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (1)	Nil	Nil
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	Nil	Nil

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

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

37 Other Statutory Disclosures

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

- 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 2025 and 31st March 2024.
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ending 31st March 2025 and 31st March 2024.
- The Company do not have any Benami property as on 31st March 2025 and 31st March 2024, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any prior period errors in financial year ending on 31st March 2025 and 31st March 2024 to be disclosed separately in Statement of changes in equity.
- 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 2025 and 31st March 2024.
- During the financial year 2024-25 and 2023-24, 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:
 - 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 to or on behalf of the Ultimate Beneficiaries
- During the financial year 2024-25 and 2023-24, 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:
 - 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.
- The Company has given loan & other advance to KMP of Rs 0.25 lakh and Rs 2 lakh in the financial year ending 31st March, 2025 & 31st March 24 respectively. The Outstanding balance as at 31st March 2025 is Rs. 1.48 Lakh and as at 31st March 2024 is Rs. 1.63 Lakh
- The Company does not have any immovable properties as at 31st March 2025 and 31st March 2024
- 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 2024-25 and 2023-24.
- 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.
- The Company does not have any transactions in financial year 2024-25 and 2023-24, 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.
- The Company have not entered into any scheme(s) of arrangements during the year ending 31st March 2025 and period ending 31st March 2024.
- The Company has not entered in any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)
- Company has not received any grants and donations during the year ending 31st March 2025 and period ending 31st March 2024.
- The Company does not have any Capital Work-in-Progress, Investment Property, Intangible Assets and Intangible Assets under Development as at 31st March, 2025 and 31st March, 2024.



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Notes to financial statements for the year ended 31st March 2025

(All amounts in Indian Rupees Lakh unless otherwise stated)

(xvii) During the year 2024-25 and 2023-24, the company has not revalued any of its Property, plant and equipment.
(xviii) The following accounting ratios are disclosed:-

S.No	Particulars	Numerator	Denominator	March 31st, 2025	March 31st, 2024	% change	Reason for change more than 25%
a)	Current ratio (In times)	Current Assets	Current Liabilities	3.96	4.73	-16.28%	NA
b)	Debt-equity ratio (In times)	Total Debt	Shareholder's Equity	1.19	1.41	-15.60%	NA
c)	Debt service coverage ratio (In times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.98	0.99	-1.01%	NA
d)	Return on equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	9.17	10.15	-9.66%	NA
e)	Inventory turnover ratio (In times)	Cost of goods sold	Average Inventory	NA	NA	NA	NA
f)	Trade receivables turnover ratio (In times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.01	4.23	65.72%	Due to increase in revenue in current year and decrease in trade receivable
g)	Trade payable turnover ratio (In times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.02	13.24	-62.08%	Due to increase in work Expense and trade payable
h)	Net capital turnover ratio (In times)	Net Sales = Total sales - sales return	Working capital = Current assets - Current liabilities	0.93	0.81	14.81%	NA
i)	Net profit ratio	Net Profit	Net Sales = Total sales - sales return	14.85	18.92	-21.51%	NA
j)	Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	10.32	10.64	-3.01%	NA
k)	Return on investment	Income generated from Investments (Finance Income)	Investment	NA	NA	NA	NA

38 Disclosure as per Ind AS-1: Disclosures on presentation of financial statements

Certain reclassification has been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result certain line items have been reclassified in the Balance Sheet, the details of which are as under:

Particulars	Before Reclassification (FY 2023-24)	Reclassification	After Reclassification (FY 2023-24)
Current Financial Assets			
- Loan to related parties- KMP	1.23	(1.23)	-
- Interest accrued but not due on Multipurpose advance	0.13	(0.13)	-
Non Current Financial Assets			
- Loan to related parties- KMP		1.23	1.23
- Interest accrued but not due on Multipurpose advance		0.13	0.13
Other Income:*			
Interest Income on Financial Assets	5,744.50	(5,744.50)	-
Revenue from operations:*			
Interest Income on Financial Assets	-	5,744.50	5,744.50

*Based on the Expert Advisory Committee (EAC) of ICAI's opinion Dated 2nd August, 2024, the Company has presented interest income from annuity payments under the Hybrid Annuity Model (HAM) as "Other Operating Revenue" for the year ended 31st March 2025. As a result, "Revenue from Operations" has increased by Rs.5256.62 Lakh, with a corresponding decrease in "Other Income" for the year ended 31st March 2025. Accordingly, comparative figures i.e. Rs. 5744.50 Lakh have been reclassified to ensure comparability and consistency with the current year's presentation, in accordance with Ind AS 1. The reclassification has no impact on total profit and total comprehensive income in the Statement of Profit and Loss.

39 Other disclosures

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

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

As per our report of even date
For G A C S & Associates
ICAI Firm Registration No. : 005193N
Chartered Accountants

CA Shashi Gupta
Partner
ICAI Membership No. : 084110

For and on behalf of the Board of Directors
Irrcon Davanagere Haveri Highway Limited

Santanu Mukherjee
Santanu Mukherjee
Director
(DIN:- 10895834)

Masood Ahmad
Masood Ahmad
Director
(DIN:- 09008553)

Vikas Awasthi
Vikas Awasthi
Company Secretary

Goutam Kumar Mishra
Goutam Kumar Mishra
Chief Executive Officer

Mahadeb Mandal
Mahadeb Mandal
Chief Financial Officer

प्रधान निदेशक लेखापरीक्षा
का कार्यालय,
रेलवे वाणिज्यिक,
4, दीनदयाल उपाध्याय मार्ग
नई दिल्ली - 110002



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

OFFICE OF THE
PRINCIPAL DIRECTOR OF
AUDIT RAILWAY
COMMERCIAL,
4, DEEN DAYAL UPADHYAYA
MARG, NEW DELHI-110002

संख्या/डी.जी.ए/आर.सी/IDHL-AA/03-10/2025-26/189

दिनांक 07.07.2025

सेवा में,

निदेशक,
इरकॉन दावणगेरे हावेरी हाईवे लिमिटेड,
सी-4, डिस्ट्रिक्ट सेंटर, साकेत,
नई दिल्ली - 110017.

विषय: 31 मार्च 2025 को समाप्त वर्ष के लिए इरकॉन दावणगेरे हावेरी हाईवे लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं इरकॉन दावणगेरे हावेरी हाईवे लिमिटेड के 31 मार्च 2025 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संगलनक: यथोपरि


(तेग सिंह)

प्रधान निदेशक (रेलवे वाणिज्यिक)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IRCON DAVANGERE HAVERI HIGHWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of IRCON Davangere Haveri Highway Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 13 June 2025 which supersedes their earlier Audit Report dated 02 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IRCON Davangere Haveri Highway for the year ended 31 March 2025 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the Statutory Auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' report under Section 143(6)(b) of the Act.

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

Place: New Delhi
Dated: 07.07.2025



Teg Singh
Principal Director of Audit
Railway Commercial, New Delhi



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

Registered & Corporate Office:

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