

# 14<sup>TH</sup> ANNUAL REPORT

# 2022-23

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## **BOARD OF DIRECTORS**

1. Mr. Parag Verma, Chairman (w.e.f. 10th October, 2022)
2. Mr. Surender Singh, Director (w.e.f. 1<sup>st</sup> July, 2021)
3. Mr. Rajeev Kumar Sinha, Director (w.e.f. 07<sup>th</sup> December, 2022)
4. Mr. Abheejit Kumar Sinha, Director (w.e.f 1<sup>st</sup> April, 2022)

## **KEY MANAGERIAL PERSONNEL**

1. Chief Executive Officer : Mr. Ajay Pal Singh (w.e.f 6<sup>th</sup> March 2020)
2. Chief Financial Officer : Mrs. Preeti Shukla (w.e.f. 01<sup>st</sup> March, 2022)
3. Company Secretary : Ms. Manisha Gupta (w.e.f 03rd April, 2023 onwards)

## **STATUTORY AUDITORS**

**KMGS & Associates** (Chartered Accountants)

Address: Basement 18, National Park, Lajpat Nagar IV, New Delhi 110024

## **SECRETARIAL AUDITORS**

**Kanchan Sah & Associates** (Company Secretaries)

Address: I-31, Gali No. 3, Lalita Park, Laxmi Nagar, Delhi 110024

## **INTERNAL AUDITORS**

**MM. & Associates** (Cost and Management Accountants)

Address: 10D, Sector-7, Pocket-1, Dwarka, New Delhi-110075

## **MAIN BANKER**

- Indian Overseas Bank
- HDFC Bank
- ICICI Bank

## **CHAIRMAN'S ADDRESS**

### **Distinguished Shareholders,**

It gives me immense pleasure to welcome you all to the 14<sup>th</sup> Annual General Meeting of your Company. The Annual Report for the Financial Year ending 31<sup>st</sup> March 2023, along with the Directors' Report, Audited Financial Statements, Statutory Auditors' Report and Secretarial Auditors' Report have been circulated and I request your permission to take them as read.

I am pleased to share with you an update on your company's performance for 2022-2023.

### **Financial Profile**

During the Financial Year 2022-2023, your Company has recorded operating revenue of INR 218.91 crores, registering 28.14 % increase over previous year's operating income of INR 170.84 crores and has booked total revenue of INR 222.85 crores as compared to INR 177.89 Crore of the previous year. The Company has achieved Profit before tax of INR 7.13 crores and Profit after tax of INR 5.32 crores.

The turnover in the financial year 2022-23 registering 28.14 % increase over previous year's was majorly due to increased quantum of the execution of consultancy projects and award of some projects of Hiring of Manpower/Leasing of Machinery and one new section of O&M Track works.

### **Operational Profile**

Your Company had undertaken the development of twenty-four Multi-Functional Complexes for the Ministry of Railways at twenty-three identified railway station premises. Out of these 24 MFCs, the MFC at Tarapith, Rajgir and Thiruvala were considered financially unviable and returned to Rail Land Development Authority (RLDA) in accordance with the terms of the agreement. IrcnISL has successfully sub-leased 21 MFCs to third parties. Due to defaults made by concessionaires, the sub-lease agreement of 7 MFCs have been terminated out of the 21 operational MFCs. Process of eviction of terminated concessionaires has been initiated and upon eviction, these shall be retendered for sub-leasing to prospective concessionaires.

### **During the year your Company has secured five new Management Consultancy project viz:**

- a. Maintenance of project assets in newly commissioned Krishnappa to Dharamjaygarh section and Ghargoda to Bhalumuda section under same terms and conditions of existing O&M agreement of Kharsia to Korichappar section by way of Extension of scope for a period of One-year amounting Rs.11.27crore.
- b. Development & Monetization of Land Parcel Under SDMC Situated at Community Center at Madipur, Punjabi Bagh, New Delhi as Multi Level Car Parking Facility with Commercial Complex for an PMC fee @4.49% on project cost for a period of 12 months.
- c. Providing Facility Management Services and Annual Operation cum Comprehensive Maintenance of newly entered building of Department of Science and Technology related services for 5 years.

- d. Providing PMC Services for Construction & Maintenance & Repair (M&R) works of JNVs and other buildings:
- Hyderabad, Jaipur & Pune Regions"- PMC fee @3.25% on project cost
  - Shillong region- PMC fee @3.40% on project cost.
- e. Construction of Phase-B Work at JNV Sabarkantha (Gujarat) for an PMC fee @3.25% on project cost.

**Apart from the new projects received during the year, your company is also providing Project management consultancy in respect of twelve projects in India, the major of which are as follows:**

- a. Your Company is providing Project Management Consultancy (PMC) for establishment of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana at the approx. cost of Rs.425.98 crores (including PMC fees). The physical progress of the project as on date is 75% and is scheduled to be completed by December-2023.
- b. Your Company is also providing a Project Management Consultancy for construction of new State-of-Art Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi at the estimated project cost of approx. Rs. 192 crores (including PMC fees). The work has been completed & handed over for Phase – 1 involving Block-I, Block-II and Block-III whereas Phase-II project is under execution.
- c. Your Company is also providing a Project Management Consultancy for construction of Barrack accommodation for security personnel at 04 Land Ports by Land Ports Authority of India (LPAI) namely, 1. Attari- Punjab, 2. Jogbani- Bihar, 3. Petrapole – West Bengal, 4. Dawki – Meghalaya at a total cost of approx. Rs. 118.82 crores (including PMC fees). The work at Attari, Punjab has been completed and handed over. The work at Jogbani-Bihar is 98% completed. The works are in progress at other two locations of Dawki- Meghalaya and Petrapole-West Bengal at 42% and 45% completed.
- d. Your Company is also providing a Project Management Consultancy for construction of Multi Modal Logistic Park near Kadakola station, Mysuru District, Karnataka. The agreement for the same was signed on 20.01.2017. The revised estimated cost of project is 61.66 Crores. The works are in progress and the schedule date of completion of project is 06.12.2023.
- e. Your Company is also providing a Project Management Consultancy for construction of Multi Modal Logistic Park (MMLP) at Paradip (Odisha) awarded by Container Corporation of India Ltd. (CONCOR) at an estimated cost of Rs.90.75 crores. The physical progress of the project as on date is 72% and is scheduled to be completed by February-2024.
- f. Your Company is also providing a Project Management Consultancy for development of handling facilities for M/s IFFCO at MMLP Paradip port Odisha awarded by CONCOR India Limited at a revised estimated project cost of approx. Rs.121.03 crores. The physical progress of the project as on date is 83% and is scheduled to be completed by October, 2023.
- g. Your Company is also providing Project Management Consultancy work for Setting up a Multi Model

Logistics Park at Dahej, Gujarat - for CONCOR at an estimated cost of Rs.201 crores. The work is completed and handed over to client on 09.08.2022

- h. Your Company is also providing Project Management Consultancy for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at National Thermal Power Corporation (NTPC), Unchahar, at a revised estimated cost of approx. Rs.49.19 crores. The work is scheduled for completion by Nov-23. The physical progress of the project as on date is 46%.
- i. Your Company has entered into an agreement with Chhattisgarh East Railway Limited (CERL) dated 22.08.2019 for operation and Maintenance of East Rail Corridor Phase I Project Assets (Track bridges and other associated assets, OHE & ST) in Kharsia - Korichhapar Section of CERL in South East Railway which is in progress. The estimated cost of the project is approx. Rs.87 crores. The O&M work commenced on 12.10.2019 and is in progress.
- j. Your Company is also providing Project Management Consultancy work for construction of (i) two Navodaya Vidyalaya at JNV, Agar Malwa (Madhya Pradesh) and (ii) Sabarkantha (Gujarat) for Navodaya Vidyalaya Samiti (an autonomous organization under Ministry of HRD) at the cost of Rs.25.09 crores and Rs.29.09 crores respectively. Both of the projects are completed and handed over to NVS.
- k. Your Company is also providing Project Management Consultancy for Construction of Infrastructure works at NDRF Academy at Nagpur at the cost of Rs.79.90 crores including PMC fees and is scheduled to be completed by March 2024. The physical progress of the project as on date is 68%.
- l. Your Company is also undertaking the work of “Supply of Manpower” to Ircan International Limited’s for its various Project and has earned operating income of Rs.1.36 Crore during the financial year 2022-23.
- m. Your Company is also undertaking the work of “Leasing of Machinery” to Ircan International Limited for its various Projects and has earned operating income of Rs.1.18 Crore during the financial year 2022-23.

### **Corporate Governance, CSR and Sustainability**

Your Company is committed to good corporate governance and compliance with the requirement of corporate governance under the DPE Corporate Governance Guidelines and all other applicable laws, rules, regulations, and ensure transparency while conducting the business in an ethical manner. A separate section on corporate governance furnishing applicable details forms part of the Directors’ Report. During the year your Company has obligation to spend an amount of Rs.28 Lakhs towards Corporate Social Responsibility (CSR) as 2% of the average net profit as per section 135 (5) for the Financial Year 2022-23. A separate section on corporate social responsibility furnishing the details of works forms part of the Directors’ Report.

## **Acknowledgement**

On behalf of the Board of Directors and the Company, I extend our sincere gratitude to Ministry of Railways, Ministry of External Affairs, Ministry of Home Affairs, Ministry of Science & Technology, Shri Vishwakarma Skill University, Rail Land Development Authority and most importantly our holding company Ircon International Limited, the shareholders thereon, the office of Comptroller & Auditor General of India, Statutory, Secretarial & Internal Auditors, Bankers of the Company, and our esteemed clients for their continued support and guidance. I also appreciate the efforts of the company's employees, who are our most valuable asset and would also like to thank our clients, vendors and partners for their trust and support.

As we look at navigating the business forward in the new financial year, we are sure that with all your dedication, intellect, hard work, and support, our competitiveness will only get better through the month ahead and we will be better positioned to take our company forward.

Sd/-  
**Parag Verma**  
**Chairman**  
**DIN: 05272169**

**Place:** New Delhi

**Date:** 01.09.2023

## IRCON INFRASTRUCTURE & SERVICES LIMITED

A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking

### DIRECTORS' REPORT

#### **Distinguished Shareholders of Ircon Infrastructure & Services Limited (IrconISL)**

The Directors of your Company have pleasure in presenting the 14<sup>th</sup> Annual Report on the business and operations of the Company for the financial year 2022-23.

#### **1. FINANCIAL RESULTS AND FINANCIAL PERFORMANCE**

##### **A. Financial Results**

(in crores)

S. No.	Particulars	2022-23	2021-22
1.	Authorized Share Capital	65.00	65.00
2.	Subscribed & Paid-up Share Capital	65.00	65.00
3.	Reserves & Surplus	105.26	99.94
4.	Capital Work-in-progress	-	-
5.	Total Revenue	222.85	177.89
6.	Revenue from Operations	218.91	170.84
7.	Profit before tax	7.13	13.35
8.	Profit after tax	5.32	5.30
9.	Net worth	170.26	164.94
10.	Earnings Per Share (Rs.)	0.82	0.82

##### **B. Financial Performance Highlights:**

- During the financial year 2022-2023 your Company has recorded a total operating income of Rs.218.91 Crore, registering 28.14% increase over previous year's operating income of Rs.170.84 Crore. The Increase in total operating Income is majorly due to increased quantum of the execution of consultancy projects and award of one new section of O&M Track works.
- The Company during the financial year 2022-2023 has achieved Profit Before Tax (PBT) of Rs.7.13 Crore and the Profit After Tax (PAT) of Rs.5.32 Crore.
- The Earning Per Share for the financial year 2022-2023 is Rs.0.82.
- The net worth of the Company as on 31<sup>st</sup> March, 2023 is Rs.170.26 Crore.

##### **C. Transfer to Reserve**

Appropriations to retained earnings for the financial year ended March 31, 2023 were Rs.5.32 Crore.



#### **D. Foreign Exchange Earnings & Outgo:**

During the Financial Year 2022-23, the Foreign Exchange earnings of the Company is Rs.2.56 Crore on account of Manpower supply and leasing of machinery for Ircon's Srilanka and Bangladesh Projects. On the same line the Foreign Exchange outgo of the company is Rs.0.99 Crore. The Net Foreign exchange earning of the company during the Financial Year 2022-2023 is Rs.1.57 Crore.

#### **E. Dividend:**

In order to conserve the resources of the Company and to plough back profits for growth of the Company, the Board of Directors do not recommend any dividend on the Equity Shares of the Company for the Financial Year ended on 31<sup>st</sup> March 23.

#### **F. Share Capital:**

During the period under review, there is no change in the Share capital of the Company. The Authorized and Paid up Share Capital of the Company is Rs.65 crores comprising of 6,50,00,000 Equity shares of Rs.10 each. 100% of the paid up equity of Company is held by Ircon International Limited.

## **2. OPERATIONAL PERFORMANCE**

**A.** Your Company had undertaken the development of twenty-four Multi-Functional Complexes for the Ministry of Railways at twenty-three identified railway station premises. Out of these 24 MFCs, the MFC at Tarapith, Rajgir and Thiruvala were considered financially unviable and returned to Rail Land Development Authority (RLDA) in accordance with the terms of the agreement. IrconISL has successfully sub-leased 21 MFCs to third parties. Due to defaults made by concessionaires, the sub-lease agreement of 7 MFCs have been terminated out of the 21 operational MFCs. Process of eviction of terminated concessionaires has been initiated and upon eviction, these shall be retendered for sub-leasing to prospective concessionaires.

### **B. On-going Projects in India**

Your Company is executing the following twelve Indian projects –

- a. Your Company is providing Project Management Consultancy (PMC) for establishment of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana at the approx. cost of Rs.425.98 crores (including PMC fees). The physical progress of the project as on date is 75% and is scheduled to be completed by December-2023.
- b. Your Company is also providing a Project Management Consultancy for construction of new State-of-Art Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi at the estimated project cost of approx. Rs. 192 crores (including PMC fees). The work has been completed & handed over for Phase – 1 involving Block-I, Block-II and Block-III whereas Phase-II project is under execution.

- c. Your Company is also providing a Project Management Consultancy for construction of Barrack accommodation for security personnel at 04 Land Ports by Land Ports Authority of India (LPAI) namely, 1. Attari- Punjab, 2.Jogbani- Bihar, 3. Petrapole – West Bengal, 4. Dawki – Meghalaya at a total cost of approx. Rs. 118.82 crores (including PMC fees). The work at Attari, Punjab has been completed and handed over. The work at Jogbani-Bihar is 98% completed. The works are in progress at other two locations of Dawki- Meghalaya and Petrapole-West Bengal at 42% and 45% completed.
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- g. Your Company is also providing Project Management Consultancy work for Setting up a Multi Model Logistics Park at Dahej, Gujarat - for CONCOR at an estimated cost of Rs.201 crores. The work is completed and handed over to client on 09.08.2022
- h. Your Company is also providing Project Management Consultancy for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at National Thermal Power Corporation (NTPC), Unchahar, at a revised estimated cost of approx. Rs.49.19 crores. The work is scheduled for completion by Nov-23.The physical progress of the project as on date is 46%.
- i. Your Company has entered into an agreement with Chhattisgarh East Railway Limited (CERL) dated 22.08.2019 for operation and Maintenance of East Rail Corridor Phase I Project Assets (Track bridges and other associated assets, OHE & ST) in Kharsia - Korichhapar Section of CERL in South East Railway which is in progress. The estimated cost of the project is approx. Rs.87 crores. The O&M work commenced on 12.10.2019 and is in progress.

- j. Your Company is also providing Project Management Consultancy work for construction of (i) two Navodaya Vidyalaya at JNV, Agar Malwa (Madhya Pradesh) and (ii) Sabarkantha (Gujarat) for Navodaya Vidyalaya Samiti (an autonomous organization under Ministry of HRD) at the cost of Rs.25.09 crores and Rs.29.09 crores respectively. Both of the projects are completed and handed over to NVS.
- k. Your Company is also providing Project Management Consultancy for Construction of Infrastructure works at NDRF Academy at Nagpur at the cost of Rs.79.90 crores including PMC fees and is scheduled to be completed by March 2024. The physical progress of the project as on date is 68%.
- l. Your Company is also undertaking the work of “Supply of Manpower” to Ircon International Limited’s for its various Project and has earned operating income of Rs.1.36 Crore during the financial year 2022-23.
- m. Your Company is also undertaking the work of “Leasing of Machinery” to Ircon International Limited for its various Projects and has earned operating income of Rs.1.18 Crore during the financial year 2022-23.

### **C. New Projects in India**

During the financial year 2022-23, IrconISL has secured five new Management Consultancy projects viz.

- a. Maintenance of project assets in newly commissioned Krishnappa to Dharamjaygarh section and Ghargoda to Bhalumuda section under same terms and conditions of existing O&M agreement of Kharsia to Korichappar section by way of Extension of scope for a period of One-year amounting Rs.11.27crore.
- b. Development & Monetization of Land Parcel Under SDMC Situated at Community Center at Madipur, Punjabi Bagh, New Delhi as Multi Level Car Parking Facility with Commercial Complex for an PMC fee @4.49% on project cost for a period of 12 months.
- c. Providing Facility Management Services and Annual Operation cum Comprehensive Maintenance of newly constructed building of Development of Science & Technology related services for 5 years.
- d. Providing PMC Services for Construction & Maintenance & Repair(M&R) works of JNVs and other buildings:
  - Hyderabad, Jaipur & Pune Regions”- PMC fee @3.25% on project cost
  - Shillong region- PMC fee @3.40% on project cost.
- e. Construction of Phase-B Work at JNV Sabarkantha (Gujarat) for an PMC fee @3.25% on project cost.

### 3. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

All the Directors on the Board of the Company are part time Director, appointed by the Holding Company. The Board of Directors of the Company as on March 31, 2023 were as follows;

1. Mr. Parag Verma, (DIN 05272169) (w.e.f. 10th October, 2022)
2. Mr. Surender Singh (DIN 09214484) (w.e.f. 1st July, 2021)
3. Mr. Rajeev Kumar Sinha (DIN 8320520) (w.e.f. 07th December, 2022)
4. Mr. Abheejit Kumar Sinha (DIN 09213782) (w.e.f 1st April, 2022)

#### **Changes in the office of Directors and KMPs during and after the closure of FY 2022-23**

The following changes were made in the office of Directors/ KMPs:

- i. Mr. Parag Verma is appointed as Chairman of the Company in place of Mr. Yogesh Kumar Misra w.e.f.10<sup>th</sup> October 2022. Mr. Yogesh Kumar Misra resigned as Part time Director w.e.f. 10<sup>th</sup> October 2022.
- ii. Mr. Abheejit Kumar Sinha is appointed as Part-time Director in place of Mr. Surajit Dutta w.e.f. 01st April, 2022.
- iii. Mr. Rajeev Kumar Sinha was appointed as Part-time Director w.e.f. 07<sup>th</sup> December 2022.
- iv. Ms. Manisha Gola has resigned as a Company Secretary of the Company w.e.f. 25.05.2022.
- v. Ms. Swati Poddar is appointed as a Company Secretary of the Company w.e.f. 17.08.2022 and she had resigned as Company Secretary of the Company w.e.f. 14.03.2023
- vi. Mrs. Preeti Shukla is appointed as CFO of the Company in place of Mrs. Pooja Chaurasia w.e.f 01.03.2023
- vii. Ms. Manisha Gupta is appointed as Company Secretary and KMP of the Company w.e.f. 03<sup>rd</sup> April, 2023.

The details of Key Managerial Personnel holding office as on date of this report are as follows:-

A	Mr. Ajay Pal Singh Chief Executive Officer	From 06.03.2020 onwards
B	Mrs. Preeti Shukla Chief Financial Officer	From 01.03.23 onwards
C	Ms. Manisha Gupta Company Secretary	From 03.04.23 onwards

### 4. BOARD COMMITTEES

The Company has the following Committees of the Board:

1. Audit Committee
2. Corporate Social Responsibility (CSR) Committee
3. Nomination & Remuneration Committee

The details pertaining to the composition of Audit Committee, CSR Committee & Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report and attached as **Annexure – C**

## **5. MEETING OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE**

During the Financial Year 2022-23, six meetings of the Board of Directors and five meetings of the Audit Committee were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and DPE Guidelines.

The details of meetings of the Board of Directors and Audit Committee and other Board Level Committee are furnished in the Corporate Governance Report attached as **Annexure-C** to this report.

## **6. RETIREMENT OF DIRECTORS BY ROTATION**

The Companies Act, 2013 provides the provisions in respect of retirement of Directors by rotation. The said provisions are not applicable on the Independent Directors. As there is no Independent Director in the Company, all the Directors of the Company are considered to be retiring by rotation. Accordingly, as per the provisions of section 152 of Companies Act, 2013, one third among all other Directors (excluding Additional Directors whose tenure will end at the AGM) namely Mr. Surender Singh (DIN: 09214484) is liable to retire by rotation and being eligible, offer himself for re-appointment.

The details of the Director seeking re- appointment at the ensuing AGM are contained in the Notice of AGM of the Company.

## **7. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT**

The Company has in place adequate internal financial controls with reference to financial reporting in compliance with the provisions of the Companies Act, 2013 and such internal financial controls over financial reporting were operating effectively.

Details of the internal control system and risk management are provided in the Management Discussion and Analysis Report.

## **8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND UPGRADATION**

The focus on the environment continued with the same vigor. During the execution of projects, appropriate and adequate measures have been taken to ensure environment protection, conservation and implementation of green building concepts. Various environmental laws including Environment Protection Act, Air and Water Pollution Control Acts, have been duly adhered to as part of conditions to be fulfilled by the Company.

The company has also adopted e tendering, an internet based process wherein the complete tendering process; from advertising to receiving and submitting tender-related information are done online. This enables companies to be more efficient as paper-based transactions are reduced or eliminated, facilitating for a speedier exchange of information.

Moreover, use of e-Office has been started at the Corporate Office to enhance transparency, accountability, data integrity, promote greater collaboration in the workplace and effective knowledge management. All payments made to vendors/contractors etc. are made by online transactions.

As the Company is mainly engaged in the Project Management Consultancy business, the prescribed format under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is not relevant and hence the information in the prescribed format is not given.

## **9. AUDITORS**

### **A. Statutory Auditors**

M/s KMGS & Associates, Chartered Accountants, was appointed by the Comptroller and Auditor General of India, as Statutory Auditors, to audit the accounts of the Company for the financial year 2022-23.

### **B. Secretarial Auditor**

In pursuance to the provisions of section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s Kanchan Sah & Associates, Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year 2022-23.

### **C. Internal Auditors**

The Board of Directors has appointed M/s M.M. Associates, Cost Accountant as Internal Auditors to conduct the Internal Audit of the Company for the financial year 2022- 23.

### **D. Cost Auditors**

Your Company was not required to appoint the Cost Auditor for the financial year 2022-23.

## **10. OTHER DISCLOSURES UNDER COMPANIES ACT, 2013**

### **A. Particulars of Loans, Guarantees or investment:**

During the year, the company has not taken any loan. Neither any Investments were made nor any loans or guarantees have been granted by the Company.

### **B. Disclosure on remuneration of Directors and employees:**

As per the provision of section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose the details of the remuneration of the Directors etc. in the Directors' Report. However as per Notification No. GSR463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. IrconISL being a government Company, such particulars are not included as part of Directors' Report. However, remuneration paid to Directors during the Financial Year 2022-23 is

“NIL”, as all the Directors are Part time (Nominee) Directors appointed by the Holding Company i.e. Ircon International Limited.

**C. Compliance with Secretarial Standards on Board Meetings and General Meetings:**

During the year, the Company is generally in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India, except as otherwise stated in the Secretarial Audit Report.

**D. Deposits:**

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year.

**E. 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 Financial Year 2022-23.

**F. Material Changes and Commitments affecting the financial position between end of the financial year and the date of the report:**

There are no Material Changes and commitments affecting the financial position of the Company between end of the financial year 2022-23 and date of the report.

**G. Extract of Annual Return**

In accordance with Section 92(3) and Section 134(3) (a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 a copy of Annual Return as at March 31, 2023 is placed on the website of the Company at [www.irconisl.com](http://www.irconisl.com) under Investors' section.

**H. Change in the nature of the Business.**

There was no material change in the nature of the business of the Company during the financial year 2022-23.

**I. Statutory Auditors' Report and C&AG Comments**

The report of the Statutory Auditors on the Financial Statements for FY 2022-23 is attached separately as part of the Annual Report. There are no qualifications, reservations or adverse remarks made by M/s KMGS & Associates, Chartered Accountants, Statutory Auditors, in their report for the financial year ended on March 31, 2023.

Vide letter dated 30<sup>th</sup> June, 2023 having reference no. PDA/RC/Audit Intimation/11-03/23-24/200, the Comptroller & Auditor General of India (C&AG) has undertaken supplementary audit on accounts of the Company for the year ended 31st March 2023 under Section 143(6) of the Companies Act, 2013. No comments or adverse observation were given by the auditor under the supplementary audit.

#### **J. Reporting of Frauds by Auditors**

During the financial year 2022-23, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's Report.

#### **K. The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies**

The Company does not have any Subsidiaries, joint ventures, or associate companies.

#### **L. Details of application made or any proceedings pending under the insolvency and bankruptcy code, 2016 during the year along with their status as at the end of the financial year**

There are no proceedings initiated/pending against your company under the Insolvency and Bankruptcy Code, 2016 which will have material impact on the business of the Company.

#### **M. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**

The Company has not made any onetime settlement with the Banks or Financial Institutions.

### **11. INTEGRAL REPORTS**

The Following reports/documents along with relevant annexures form an integral part of this report, and have been placed as Appendices numbered herein.

#### **A. Report on CSR Activities**

The Annual "**Report on CSR Activities**" in terms of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, provides a brief outline of the company's CSR policy, the composition of CSR Committee, average net profit of the Company for the last three financial years, CSR budget, prescribed CSR expenditure, and details of CSR activities / projects etc. undertaken during the financial year 2022-23 [**Placed at Annexure-A**]. The CSR Policy providing guidelines to conduct



CSR activities of the Company is available on the website of the Company [www.irconisl.com](http://www.irconisl.com)

## **B. Management Discussion and Analysis Report**

The “**Management Discussion and Analysis Report**” provides an overview of the state of affairs of the Company, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, risks and concerns as well as human resource and internal control system. **[Placed at Annexure-B]**

## **C. Corporate Governance Report**

The “**Corporate Governance Report**” highlights the Company’s philosophy of Corporate Governance, composition of Board of Directors and its Committees, their details including the attendance of Directors in the meetings, etc. and other relevant disclosures **[Placed at Annexure-C]**. It is supplemented by the following compliance certificates:

- a) Certificate signed by CEO and CFO with respect to the truth and fairness of the Financial Statements, due compliances, and financial reporting (placed at **Annexure – C1**);
- b) Certificate signed by the Chairman affirming receipt of compliance with the Code of Conduct and key values from all the Board members and Senior Management personnel during the year 2021-22. (placed at **Annexure – C2**); and
- c) Certificate of compliance of Corporate Governance provisions signed by practicing company secretary (placed at **Annexure – C3**).

## **D. Secretarial Auditor 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 forms part of this report and is placed at **Annexure- D**. The report does not contain any qualifications, reservations or adverse remarks.

## **E. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES U/S 188**

Prior omnibus approval of the Audit Committee is obtained on yearly basis for all Related Party Transactions with the Holding Company which are of unforeseen and repetitive nature valuing upto 1 Crore in a financial year. The transactions, if any, entered into with the Holding Company in pursuant to the omnibus approval granted, are placed before the Audit Committee on a quarterly basis. Approval of specific related party transactions other than those covered under the Omnibus approval are also obtained from the Audit Committee/ Board in compliance with the requirement of the Companies Act, 2013.

All contracts / arrangements / transactions entered by the Company during the financial year 2022-23 with related parties were either in ordinary course of business and / or at arm's length basis.

The details of contracts or arrangements entered with related parties pursuant to Section 188(1) of Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014 in **Form AOC - 2**, is placed at **Annexure "E"**.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that:

- I. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. such accounting policies had been selected and applied consistently and such judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31<sup>st</sup> March 23 and of the profit of the Company for the financial year 2022-23.
- III. 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;
- IV. the annual accounts for the financial year ended on 31<sup>st</sup> March 23 have been prepared on a 'going concern' basis;
- V. the proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **13. POLICY IN COMPLIANCE OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT**

The Company aims to provide a congenial and safe working atmosphere for women employees. The Company has in place a comprehensive policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace covering all the employees (on regular including deputations, temporary, adhoc, contract / service contract or daily wages basis, either directly or through an agency, including a contractor, co-worker, a contract worker, probationer, trainee, apprentice etc.) of the Company and the same is available at the website of Company.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a four-member Internal Complaints Committee (ICC) for the prevention of sexual harassment at workplace comprising of three officials of the Company and one external member. No complaints relating to sexual harassment has been received by the Company during the year or pending from the previous year.

## **14. OTHER COMPLIANCES**

### **A. Right to Information Act, 2005**

In order to promote transparency and increased accountability, the Company has put in place the mechanism for implementation of Right to Information Act, 2005. As per the requirements of the RTI Act, necessary updated information including the names of Appellate Authority, Central Public Information Officer (CPIO), Assistant Public Information Officer (APIO) are posted on the IrconISL website. All the Queries received have been replied within the stipulated time.

During the year, the Company has received 7 RTI application and 2 Appeals and all have been processed/disposed of within the prescribed time.

### **B. Memorandum of Understanding**

Your Company has claimed exemption from signing Memorandum of Understanding (MOU) with Ircon International Limited, the holding company for the FY 2022-23 as well 2023-24.

### **C. PERSONNEL DEVELOPMENT**

As one of the strategic pillars, Human Resources and Administration (HR & A) Department is continuously focusing on building competent human resources aligned to company core objectives and deliverables. The Employee Relations scenario has been cordial and peaceful during the year. The manpower strength as on 31.03.23 was 67 employees, comprising of 2 Regular Employees, 32 employees on contract and 33 employees on deputation from Ircon International Limited, Holding Company. Matters related to personnel development of employees on deputation from IRCON, are being taken care of by IRCON.

Those employees who have been engaged by the Company are being taken care of by your Company.

### **D. INFORMATION TECHNOLOGY**

The Company has its website on domain <https://www.irconisl.com> , which provides a profile of the Company, Projects, Annual reports, CSR, tenders, contact details, etc. During the year,

updates were made regarding, appointment of new directors and Key Managerial Personnel, projects, annual reports, tenders, RTI, CSR activities, contact details, etc. The link of the company's website is also available on the holding company's website i.e. [www.ircon.org](http://www.ircon.org).

#### **E. MSE COMPLIANCE**

It has always been an endeavour of IrconISL to support Micro and Small Enterprises (MSEs) and local suppliers. IrconISL has taken a number of steps including the necessary steps to implement the Public Procurement Policy of the Government of India to procure the items specified from MSEs. IrconISL has complied with MSEs compliance of the Company for the financial year 2022-23.

#### **F. Accounting Standard followed by the Company**

The Financial Statements of the Company as at and for the financial year ended 31st March 2023 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 and applicable provisions of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

#### **ACKNOWLEDGMENT**

We record our appreciation and thanks to Ircon International Limited, Holding Company, Ministry of Railways, Rail Land Development Authority (RLDA), Ministry of Education, Ministry of Home Affairs, Ministry of Science and Technology and Shri Vishwakarma Skill University and other Ministries, the office of Comptroller & Auditor General of India, Statutory, Secretarial & Internal Auditors, Bankers of the Company, and our esteemed clients for their continued interest and support to the Company.

We place on record our sincere appreciation for all the employees of the Company at all levels for their untiring efforts, dedication, and sincerity in improving the performance of the Company.

**For and on behalf of the Board of Directors  
Ircon Infrastructure & Services Limited**

**Sd/-**

**Parag Verma**

**Chairman**

**DIN: 05272169**

**Place:** New Delhi

**Date:** 01.09.2023

**Annexure - A**

**Report on Corporate Social Responsibilities Activities**

**1. Brief outline on CSR Policy of the Company:**

The objective of the CSR Policy is to focus on the activities impacting society, economy and environment for betterment and growth. The policy acts as a guiding principle for its CSR initiatives encouraging various opportunities to explore diversified fields of the social sector to meet the basic necessary requirements by promoting a healthy and sound livelihood and social security for the community through its CSR efforts. The CSR Policy outlining the thrust areas of development viz. Education, Literacy, and Environment Sustainability & Health as approved by the Board of Directors is available on the Company's website at <https://www.irconisl.com> .

The company's social vision is to conduct its CSR Initiatives in line with its policy of conducting business in a socially responsible and sustainable way, keeping the needs and expectations of the key stakeholders in focus in various business activities. IrconISL has spread its wings in various social sector areas through its CSR efforts in order to build an empowered society through its CSR projects that will integrate business and social goals in a sustainable manner, creating social impact through inclusive growth and planning.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Surender Singh	Chairman	1	1
2	Mr. Abheejit Kumar Sinha	Member	1	1
3	Mr. Rajeev Kumar Sinha	Member	1	1

**Note: On change in nomination by Holding Company, Shri Rajeev Kumar Sinha is appointed as Nominee Member of CSR Committee of IrconISL in place of Shri Parag Verma, w.e.f. 20th December 2022.**

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 - <https://www.irconisl.com>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if

applicable (attach the report) - **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Not Applicable**
6. Average net profit of the company as per section 135(5) – Rs 13.92 Crore
7. (a) Two percent of average net profit of the company as per section 135(5) - Rs 0.28 Crore  
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.- NIL  
 (c) Amount required to be set off for the financial year, if any- NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c). – Rs 0.28 Crore
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
28,00,000.00	Nil	NA	NA	NA	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year - **Not Applicable**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	PM Cares Fund	(viii)	NA	NA		28,00,000	Direct	NA	NA
	<b>Total</b>					<b>28,00,000</b>			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 28,00,000/-

(g) Excess amount for set off, if any - NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years - NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has spent two per cent of the average net profit as per section 135(5) for the Financial Year 2022-23.

Sd/-  
Ajay Pal Singh  
Chief Executive Officer

Sd/-  
Surender Singh  
Chairman CSR Committee

**Place:** New Delhi

**Date:** 15.05.2023



## **Annexure-B**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **AN OVERVIEW**

Ircon Infrastructure & Services Limited (IrconISL) was incorporated on 30<sup>th</sup> September 2009 as a wholly owned subsidiary of Ircon International Limited (IRCON, a Schedule 'A', Mini Ratna - category I Company under the Ministry of Railways) as an outcome of MoU by the Holding Company with RLDA for "Planning, Design, Development, Operation and Maintenance of Multi- Functional Complexes (MFC's) on Indian Railways Land" to provide facilities and amenities to users of Indian Railway System. The physical work of construction (warm shells) was taken up for 24 MFCs at 23 stations. The Company has successfully sub-leased 20 MFCs to third parties.

The above objectives were limited for further growth of the Company and therefore the Company diversified its Business in various other sectors viz. Project management and infrastructure consultancy, to undertake infrastructure projects including planning, designing, development, construction, improvement, commissioning, operation, maintenance and various services relating thereto including leasing out track machines and hence objectives were amended accordingly.

#### **BUSINESS ENVIRONMENT**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies for creation of world class infrastructure in the country. The Union Budget has made significant announcements in the area of Railways and Infrastructure Sectors resulting in increase in opportunities in these sectors. India's infrastructure sector stands at the cusp of rapid growth, driven by government reforms, incentives and long-term prospects. The seriousness of government support has been influenced by a growing conviction that strengthened infrastructure catalyses national competitiveness, moderate inflation, promotes livelihoods and enhances prosperity.

During the Financial Year 2022-2023, the company secured five new projects and achieved significant progress in others existing projects and is working in the direction to achieve the targets effectively and efficiently well within the time.

#### **The Company is looking for opportunities in the following areas:-**

- Preparation of Detailed Project Reports for projects of Government of India.
- Project Management Consultancy (PMC) for various private / government agencies.
- Real estate projects on Build-Operate-Transfer (BOT) basis.
- Corporate Social Responsibility (CSR) Projects of Public Sector Undertakings.

## OUTLOOK

The Vision/Mission of the Company as approved by the Board of Directors of the Company are: -

### Vision / Mission

To be recognized as a specialized Infrastructure developer and establish itself as a renowned service provider for all areas of Infrastructure Projects with special emphasis on Environment, Quality, and Safety.

## FINANCIAL PERFORMANCE

- During the financial year 2022-2023 your Company has recorded a total operating income of Rs.218.91 Crore, registering 28.14% increase over previous year's operating income of Rs.170.84 Crore. The Increase in total operating Income is majorly due to the execution of consultancy projects and award of one new section of O&M Track works.
- The Company during the financial year 2022-2023 has achieved Profit Before Tax (PBT) of Rs.7.13 Crore and the Profit After Tax (PAT) of Rs.5.32 Crore.
- The Earning Per Share for the financial year 2022-2023 is Rs.0.82.
- The net worth of the Company as on 31<sup>st</sup> March, 2023 is Rs.170.26 Crore.

## OPERATIONAL PERFORMANCE

- A. During the FY 2022-23, IrconISL has secured 05 new projects viz. (i) Maintenance of project assets in newly commissioned Korichappar to Dharamjaygarh section and Ghargoda to Bhalumuda section from Chhattisgarh East Railway Limited; (ii) Development & Monetization of Land Parcel Under SDMC Situated at Community Center at Madipur, Punjabi Bagh, New Delhi as Multi Level Car Parking Facility With Commercial Complex For South Delhi Municipal Corporation ; (iii) Providing Facility Management Services and Annual Operation cum Comprehensive Maintenance of building related services for Department of Science & Technology; (iv) Providing PMC Services for Construction & Maintenance & Repair (M&R) works of JNVs and other buildings at Hyderabad, Jaipur, Shillong & Pune Regions for Navodaya Vidyalaya Samiti. and (v) Construction of Phase-B Work at JNV Sabarkantha (Gujarat) for Navodaya Vidyalaya Samiti.
- B. Along with the above new projects, during the FY 2022-23 the following on-going projects are in various stages of completion:
- i. PMC for construction of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana.
  - ii. PMC for construction of Office Building of Department of Science & Technology at

- Technology Bhawan, New Mehrauli Road, New Delhi.
- iii. PMC for construction of Barrack Accommodation for Security Personnel at four (4) Land ports (ICPs) [i.e. 1. Attari-Punjab, 2. Jogbani-Bihar, 3. Petrapole- West Bengal, 4. Dawki-Meghalaya] for Land Ports Authority of India (LPAI). Attari project is completed and handed over to client.
  - iv. PMC for construction of Multi Modal Logistics Park (MMLP) for CONCOR at (a) Kadakola, Mysuru District, Karnataka, (b) Paradip (Orissa); (c) Bhaupur, Kanpur (U.P), and (d) Dahej, Gujarat. Dahej Project is commissioned and handed over to client.
  - v. PMC for construction of Jawahar Navodaya Vidyalaya (JNV) at two locations, one at Sabarkantha (Gujarat) and other at Agar Malwa (Madhya Pradesh) for Navodaya Vidyalaya Samiti. Final Bill is under process.
  - vi. PMC for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at National Thermal Power Corporation, Unchahar, U.P.
  - vii. PMC for Construction of Infrastructure works at National Disaster Response Force Academy at Nagpur.
  - viii. Engagement as Consultant for Detailed Engineering & Project Supervision for development of handling facilities for IFFCO at MMLP Paradip Port, Orissa, awarded by CONCOR.
  - ix. Maintenance of Track, Civil Engineering, OHE and S&T assets of Kharsia-Korichhapar newly laid BG Section for Chhattisgarh East Railway Limited.
  - x. Supervision Consultancy for Construction of ROB in lieu of LC No.114 B on Ahmedabad Botad Railway Line in the State of Gujarat for Ahmedabad (R&B) Division.
  - xi. Appointment of Inspection Agency for Inspection, Supervision & Quality Control related works of Assembly and Launching of Steel Superstructure within the Railway portion including fabrication & installation of bearing for “Construction of Road Over Bridges (ROB) at various locations in lieu of LC gates in Maharashtra area under Central Railway” for Maharashtra Rail Infrastructure Development Corporation Limited.
  - xii. Supervision Consultancy for Construction of two ROB's on Dr. E. Moses Road and Keshavrao Khade Marg near Mahalaxmi Railway Station in G/S ward for Municipal Corporation of Greater Mumbai
  - xiii. Final Location Survey (FLS) using Modern Survey Technologies for New Broad Gauge Line from Tanakpur to Bageshwar (approx. 154.58km) in the state of Uttarakhand for North Eastern Railway;
  - xiv. Final Location Survey (FLS) using Digital Terrain/Elevation Model (DTM/DEM/DSM) generated from satellite or LiDAR imageries, staking of alignment on ground, Geological & Geophysical mapping etc. in connection with Imphal-Moreh new BG Single Line project in Manipur (Total approx. length 110KM) for Northeast Frontier Railway; and
  - xv. Development & Monetization of Land Parcel Under SDMC Situated at Community Center at Madipur, Punjabi Bagh, New Delhi as Multi Level Car Parking Facility

With Commercial Complex For South Delhi Municipal Corporation. Feasibility report and financial model of the project has been submitted to client.

- C. During FY 2022–23, Construction of the Multi Modal Logistics Park (MMLP) for CONCOR at Dahej, Gujarat, was completed in August 2023. Construction of Phase-A works at JNV Sabarkantha (Gujarat) was completed on November 30, 2022, and construction of Phase-A works at JNV Agar Malwa (MP) was completed on March 30, 2023.

## SECTORAL PERFORMANCE

During the year 2022-23, there are five sectors of revenue namely Consultancy, Sub- Leasing of MFCs, Supply of Manpower, Leasing of Plant & Machinery and Maintenance of track. Consultancy projects accounted for major portion of 75.48% of total operating income for the year 2022-23. The table below shows the share of income from different sectors and its percentage contribution to total income.

(Rs.in crores)

Sectors	2022-23		2021-22		2020-21	
	Operating Income	%	Operating Income	%	Operating Income	%
Consultancy	165.23	75.48	141.99	83.11	167.76	86.30
Supply of Manpower	1.36	0.62	0.77	0.45	0.88	0.45
Sub- Leasing of MFCs	27.87	12.73	14.34	8.39	11.08	5.70
<b><u>OTHER OPERATING REVENUES</u></b>						
Leasing of Plant & Machinery	5.49	2.51	1.84	1.08	2.33	1.20
Maintenance Of Track	18.96	8.66	11.91	6.97	12.34	6.35
<b>Total</b>	<b>218.91</b>		<b>170.84</b>		<b>194.39</b>	

## SEGMENT-WISE PERFORMANCE

Foreign projects contributed 1.16% to total operating income and domestic projects contributed 98.84% to total operating income during the year 2022-23.

(Rs.in crores)

Sectors	2022-23		2021-22		2020-21	
	Total Income	%	Total Income	%	Total Income	%
Foreign	2.54	1.16	0.70	0.41	2.27	1.17
Domestic	216.37	98.84	170.14	99.59	192.12	98.83
<b>Total</b>	<b>218.91</b>		<b>170.84</b>		<b>194.39</b>	

## STRENGTHS

The biggest strength of the Company is that it is a wholly owned subsidiary of Ircon International limited, having a longstanding reputation in the construction sector. The Company can take the advantage of holding company's expertise to undertake various projects.

## RISKS AND CONCERNS

With the completion of MFCs construction progressively, the work of leasing of MFCs are being taken up which is very much area specific and market dependent. Although, in-depth study for market potential has been carried out by independent renowned consultants, the risk of collection of revenue still exists especially after COVID-19 pandemic situations.

## INTERNAL CONTROL SYSTEM

The Company has an internal audit system that requires the Internal Auditor to comment on the existence of adequate internal control system and compliance therewith in addition to the opinion on existence of proper risk assessment and mitigation mechanism. Your Company has appointed M/s M.M. Associates, Cost Accountant as Internal Auditor for the financial year 2022-2023. Internal Auditors conduct an audit of the Company to test the adequacy of the internal systems and suggest continual improvements. The Internal Auditor is an experienced Cost Accountant firm which is selected through a transparent selection process, and upon appointment directly reports to the Management. This ensures Internal Auditors' independence. Reports of the Internal Auditor are reviewed, compliances are ensured and put up for consideration of the Audit Committee.

## HUMAN RESOURCE

The Company aims to achieve the right size and right mix of human resource/ employees for the organization. Since your Company is a project-based company, there are fluctuations in the manpower requirements which are being taken care of by recruiting employees on deputation, contract and service contract. Recruitment strategies have been re-engineered to make them more in line with the overall strategy of the Company.

The employees of IrconISL are a combination of those who have been appointed by the Company and posted at the corporate office of the company or at the project site and the employees who are on deputation basis from Ircon. Further, your Company also provides manpower to IRCON's various projects. The total manpower strength of the company as on 31 March 2023 is 67 employees. Considering the long-term growth prospects, your Company is planning to enhance the core manpower resources by way of its own cadre development.

**For and on behalf of the Board of Directors  
Ircon Infrastructure & Services Limited**

**Sd/-**

**Parag Verma**

**Chairman**

**DIN: 05272169**

**Place: New Delhi**

**Date: 01.09.2023**

**REPORT ON CORPORATE GOVERNANCE**

**1. Company's Philosophy**

Corporate Governance is a set of systems and practices for the ethical conduct of business of the company. It ensures accountability, transparency, equity, and commitment to values to meet its stakeholder's aspirations. It is the constant endeavor of the Company to adopt and maintain the highest standards of ethics in all spheres of business activities.

**2. Governance Structure**

The company is managed by the Board of Directors, which formulates strategies, policies, and reviews performance periodically.

Board of Holding Company also reviews the performance of the Company. Minutes of the Board meetings, statement of all significant transactions and arrangements entered into by the Company, and unaudited quarterly and half yearly results are placed for consideration before the Audit Committee / Board Meeting of the Holding Company.

Apart from four part-time Directors on the Board of IrconISL, the holding company has nominated a Chief Executive Officer, below the board level, for management of day to day affairs of the Company.

**3. Board of Directors**

**3.1 Composition of Board of Directors**

As per Articles of Association (AOA) (Article 48) of the Company, the number of Directors shall not be less than three and not more than twelve. As per AOA (Article 49), the Holding Company shall appoint the Chairman and all the Directors of the Company.

Present strength of the Board of Directors is four comprising of part-time Directors including part-time Chairman nominated by the Holding Company

3.2 The details of Directors as on the date of this report are given below:

**BOARD OF DIRECTORS**  
(As on the date of this report)

Directors	Whole-time / part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconISL)	Total No. of Committee memberships held (including IrconISL)	
			As Chairman	As Member other than Chairman
Mr. Parag Verma (DIN 05272169) (w.e.f. 10.10.2022)	Part-time Chairman	8 [IRCON/IRSDCL/JCRL /MCRL/IGRHL/IASSEL/ILRHL/IVKEL]	1	4
Mr. Surender Singh (DIN 09214484) (w.e.f. 01.07.2021)	Part-time Director	1 [IRPL]	1	2
Mr. Rajeev Kumar Sinha (DIN 08320520) (w.e.f. 07.12.2022)	Part-time Director	NIL	NIL	3
Mr. Abheejit Kumar Sinha (DIN 09213782) (w.e.f 01.04.2022)	Part-time Director	NIL	1	2

Note:

1. Mr. Parag Verma is appointed as Chairman of the Company in place of Mr. Yogesh Kumar Misra w.e.f.10<sup>th</sup> October 2022.
2. Mr. Abheejit Kumar Sinha is appointed as Part-time Director in place of Mr. Surajit Dutta w.e.f 01<sup>st</sup> April 2022.
3. Mr. Rajeev Kumar Sinha was appointed as Part-time Director w.e.f. 07<sup>th</sup> December 2022.

**Notes:**

1. The number of Directorships is within the maximum limit of 20 Companies (out of which maximum 10 public companies) under the Companies Act, 2013.
2. Directors are not related to each other.
3. Directors do not have any pecuniary relationships or transactions with the company.
4. The Directorships / Committee memberships are based on the latest disclosure received from Directors.
5. Committee memberships of Audit Committees, Shareholders' / Investors' Grievance Committees and CSR & Sustainable Development Committee of all Public Limited Companies have been considered.



6. The number of committee memberships of directors is within the maximum limit of ten including the permitted limit of five chairmanships under the DPE Corporate Governance Guidelines, 2010 (DPE CG Guidelines). Only the Audit Committee and Shareholders' / Investors' Grievance Committee are to be counted for the said limit.
7. Full names of companies referred:
  - a) IRCON - Ircon International Limited
  - b) IRSDCL- Indian Railway Stations Development Corporation Limited
  - c) JCRL- Jharkhand Central Railway Limited
  - d) MCRL- Mahanadi Coal Railway Limited
  - e) IRPL- Ircon Renewable Power Limited
  - f) IGRHL - Ircon Gurgaon Rewari Highway Limited
  - g) IASEL- Ircon Akloli-Shirsad Expressway Limited
  - h) ILRHL- Ircon Ludhiana Rupnagar Highway Limited
  - i) IVKEL- Ircon Vadodara Kim Expressway Limited

#### **4. Disclosures about Directors**

As per the disclosures made by the Directors in terms of section 184 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, no relationship exists between directors inter-se. The Directors of the Company are appointed/ nominated by the holding company in terms of Article 49 of the Articles of Association of the Company.

#### **5. Remuneration of Directors**

Part-time directors, nominated on the Board by the holding company, do not draw any remuneration from the Company.

No sitting fee is paid to the part-time directors.

#### **6. Board Meetings and Attendance during 2022-23**

The Board of Directors met 6 times during the financial year 2022-23 on 17<sup>th</sup> May 2022, 23<sup>rd</sup> May 2022, 05<sup>th</sup> August 2022, 24<sup>th</sup> August 2022, 04<sup>th</sup> November 2022 and 03<sup>rd</sup> February 2023.

Details of attendance of the Directors in the Board meetings held during the year 2022-23 are given below:

Director	No. of Board Meetings during 2022-203		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Mr. Yogesh Kumar Misra (DIN 07654014)	4	4	YES
Mr. Parag Verma (DIN 05272169)	6	5	YES
Mr. Surender Singh (DIN 09214484)	6	4	NO
Mr. Abheejit K Sinha (DIN 09213782)	6	6	YES
Mr. Rajeev Kumar Sinha (DIN 08320520)	1	1	NA

## 7. COMMITTEES OF BOARD OF DIRECTORS

### 7.1 Audit Committee

#### 7.1.1 Terms of Reference

The Paid-up Share Capital of the Company has been increased from Rs. 4.90 crores to Rs 40 crores (w.e.f. 28.03.2013) during the financial year 2012-13, which is 100% held by IRCON. Consequently, in compliance with section 292A of Companies Act, 1956, the Board of Directors had constituted the Audit Committee at its meeting held on 5<sup>th</sup> July 2013. The Terms of Reference of the Audit Committee as given in DPE Guidelines on Corporate Governance, Chapter -4, Para 4.2 to Para 4.5 was adopted by the Board of Directors. In brief, they include the following core areas:

- 1) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Reviewing, with the management, the annual financial statements before they are approved by the Board of Directors. In particular: -
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub section 5 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;

- c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
- 3) Reviewing, with the management, the quarterly financial statements before they are approved by the Board of Directors.
  - 4) Management discussion and analysis of financial condition and results of operations.
  - 5) Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
  - 6) Discussion with auditors – both internal and statutory auditors – to address significant issues and follow up thereon.
  - 7) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - 8) Recommending to the Board the fixation of audit fees.
  - 9) Reviewing the appointment, reappointment, remuneration, and removal, etc. of internal auditor.
  - 10) Reviewing the Certification/declaration of financial statements by the Chief Executive Officer/Chief Financial Officer.

#### 7.1.2 Audit Committee – Composition and Attendance:

The Audit Committee of the Board, consisting of three part-time Directors of the Company, was originally constituted on 05.07.2013 with the approval of Board of Directors adopting the terms of reference as given in DPE Guidelines on Corporate Governance dated 14<sup>th</sup> May 2010, para 4.2 to para 4.5.

Due to the change in nominee director during the financial year 2022-23, the Committee was reconstituted on 19.12.2022 vide note no. 72/22, circulated to all the Board members which was further confirmed in 67<sup>th</sup> BoD meeting held on 03<sup>rd</sup> February, 2023.

The present composition of the committee is:

1	Mr. Abheejit Kumar Sinha (Nominee Director)	Chairman
2	Mr. Surender Singh (Nominee Director)	Member
3	Mr. Rajeev Kumar Sinha (Nominee Director)	Member

The Audit Committee met 5 times during the financial year 2022-23 on 17<sup>th</sup> May 2022, 23<sup>rd</sup> May 2022, 05<sup>th</sup> August 2022, 04<sup>th</sup> November 2022 and 03<sup>rd</sup> February 2023.

The attendance details are as follows:

Member	Status	Meetings held (during their respective tenures)	Meetings attended
Mr. Abheejit Kumar Sinha	Chairman	5	5
Mr. Parag Verma	Member	4	3
Mr. Surender Singh	Member	5	4
Mr. Rajeev Kumar Sinha	Member	1	1

## 7.2 Corporate Social Responsibility (CSR) Committee

As per section 135 of Companies Act 2013, every company having net worth of Rs.500 crore or more, or turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee (CSR) of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Further, as per DPE Guidelines on Corporate Social Responsibility and Sustainability for Central Public-Sector Enterprise issued vide DPE OM dated 12<sup>th</sup> April 2013, it is stated that each CPSE shall have a Board level committee headed by either the Chairman, or an Independent Director to oversee the implementation of the CSR and Sustainability policies of the Company.

An integrated Board of Directors Committee for CSR was constituted on 13<sup>th</sup> June 2014 by a note circulated to all Board members, which was further confirmed in 22<sup>nd</sup> Board of Directors meeting held on 26<sup>th</sup> June 2014, to oversee the implementation of the CSR

Policy of the Company and to assist the Board of Directors to formulate suitable policies and strategies to take the CSR agenda of the Company forward in the desired direction.

Due to the change in nominee director during the financial year 2022-23, the Committee was reconstituted on 19.12.2022 vide note no. 72/22, circulated to all the Board members which was further confirmed in 67<sup>th</sup> BoD meeting held on 03<sup>rd</sup> February, 2023.

The present composition of the committee is:

1	Mr. Surender Singh (Nominee Director)	Chairman
2	Mr. Abheejit Kumar Sinha (Nominee Director)	Member
3	Mr. Rajeev Kumar Sinha (Nominee Director)	Member

One meeting of the CSR Committee was held during the financial year 2022-2023 on 03<sup>rd</sup> February 2023. All the members were present in the meeting.

### **7.3 Nomination and Remuneration Committee**

As per section 178 of Companies Act 2013, read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provides for constitution of Nomination and Remuneration Committee in all public companies with a paid-up capital of Rs.10 crores or more, or having turnover of Rs.100 crores or more, or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding Rs.50 crores or more. The Committee shall consist of three or more non-executive directors out of which not less than one half shall be independent directors.

Further, as per DPE Guidelines on Remuneration Committee for Central Public-Sector Enterprise issued vide DPE OM dated 14<sup>th</sup> May 2010, it is stated that each CPSE shall constitute a Remuneration Committee comprising at least three directors, all of whom should be part-time Directors (i.e. Nominee or Independent Directors), and that the Committee should be headed by an independent director.

#### **Terms of Reference**

- a. To decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the limits prescribed in the DPE OM dated 26<sup>th</sup> November 2008
- b. To frame and review the policies for identification/selection of persons who may be appointed in senior management in accordance with the criteria laid down and

recommend to the Board their appointment and removal.

- c. To decide the level and remuneration with respect to senior management and other employees.
- d. To review, consider and recommend HR policy(ies) with respect to senior management and other employees.
- e. Any other work as may be included by Companies Act or DPE from time to time.

The Company has constituted a Nomination and Remuneration Committee on 28<sup>th</sup> August 2015 pursuant to section 178 of Companies Act 2013 and para 5.1 of the DPE CG Guidelines, 2010.

Due to the change in nominee director during the financial year 2022-23, the Committee was reconstituted on 19.12.2022 vide note no. 72/22, circulated to all the Board members which was further confirmed in 67<sup>th</sup> BoD meeting held on 03<sup>rd</sup> February, 2023.

The present composition of the committee is:

1	Mr. Surender Singh (Nominee Director)	Chairman
2	Mr. Abheejit Kumar Sinha (Nominee Director)	Member
3	Mr. Rajeev Kumar Sinha (Nominee Director)	Member

No NRC Committee meeting was held during the financial year 2022-2023

## 8. General Body Meetings

### 8.1 Annual General Meeting

A. The last 3 (three) Annual General Meetings were held as under:

AGM No.	Financial Year	Date of holding meeting	Time	Location
13 <sup>th</sup>	2021-22	24 <sup>th</sup> August 2022	12:40hrs	Company's Registered Office, Delhi
12 <sup>th</sup>	2020-21	17 <sup>th</sup> August 2021	10:30hrs	Company's Registered Office, Delhi
11 <sup>th</sup>	2019-20	18 <sup>th</sup> September 2020	11:00hrs	Company's Registered Office, Delhi

No special resolution was passed in the last three Annual General Meetings (from 2019-20 to 2021-22).

## 8.2 Extra-Ordinary General Meeting

A. The last 3 (three) Extra-Ordinary General Meetings were held as under:

EGM No.	During the Financial Year	Date of holding meeting	Time	Location
4 <sup>th</sup>	2014-15	20 <sup>th</sup> February 2015	1700 hrs	Company's Registered Office, Delhi
3 <sup>rd</sup>	2012-13	22 <sup>nd</sup> January 2013	1430 hrs	Company's Registered Office, Delhi
2 <sup>nd</sup>	2011-12	12 <sup>th</sup> March 2012	1430 hrs	Company's Registered Office, Delhi

B. Special Resolution:

### (a) 4<sup>th</sup> Extra-Ordinary General Meeting held on 20<sup>th</sup> February 2015

Alteration in Memorandum of Association & Articles of Association of the Company for increase in the Authorized Share Capital from 40 crores to 65 crores.

### (b) 3<sup>rd</sup> Extra-Ordinary General Meeting held on 22<sup>nd</sup> January 2013

- (i) Alteration in Memorandum of Association & Articles of Association of the Company for increase in the Authorized Share Capital from Rs.10 crores to Rs.40 crores.
- (ii) Conversion of part of the loan to the extent of Rs.35,10,00,000/- taken by the Company from Ircon International Limited (holding company) into fully paid-up equity shares comprising of 3,51,00,000 equity shares of Rs.10 each.

### (c) 2<sup>nd</sup> Extra-Ordinary General Meeting held on 12<sup>th</sup> March 2012

Alteration in Memorandum of Association by inserting new sub-clauses in the Object Clause III A (Main Objects).

## 9. Disclosures

9.1 During the year, there was no transaction of material nature with the Directors or their relative that had potential conflict with the interest of the Company. Attention of the members is drawn to the disclosure of transactions with the related parties set out in Note no. 35 to the Financial Statements.

9.2 During 2022-23, there are no items of expenditure debited in books of accounts, other

than for the business purposes of the Company. Also, no expenses have been incurred by the Company which are personal in nature for the Directors and Top Management except for the remuneration paid to Key Executives, which is as per Government approved pay and perks (Details disclosed in Note no. 35 forming part of the Financial Statements).

- 9.3** Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses are given below:

(Rs.in crores)

Particulars	2022-23	2021-22	Remarks
Administrative & other expenses	4.38	3.34	NIL
Bank & Other Finance Charges	0.00	0.00	NIL
Total Expenses	215.72	164.54	NIL
Administration & other expenses/ Total expenses (in %)	2.03%	2.03%	NIL
Bank & Financial Charges/ Total expenses (in %)	0.00%	0.00%	

- 9.4** The Company periodically informs the Board about the risks associated with its projects in risky areas and foreign exchange management. Details pertaining to risk management have been given in Management Analysis Report under the heading 'Risks and Concerns'.
- 9.5** The entire Equity Share Capital of the Company of Rs.65,00,00,000 is held by Ircan International Limited, Holding Company.
- 9.6** There has been no instance of non-compliance of any statutory regulation or government guidelines nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by government.
- 9.7** IrcanISL has secured, based on self-evaluation, an annual score of '**93.125**' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the financial year 2022-2023.
- 9.8** The transactions with related party are in the ordinary course of business on arms' length basis and the disclosure of the same has been made as per requirement of relevant accounting standard in notes to the Financial Statement of the Company.
- 9.9** The Company has systems in place for monitoring statutory and procedural compliances. The Board has reported the status of the same so as to ensure proper compliances of all laws applicable to the Company.

## **10. CEO/CFO CERTIFICATION**

The Chief Executive Officer and Chief Financial Officer have certified in writing with



respect to the truth and fairness of the financial statements, due compliances, and financial reporting which was placed before the Audit Committee and the Board of Directors in the meeting dated May 18, 2023 and is placed as “**Annexure – C-1**” to this Report.

## 11. CODE OF CONDUCT

The Company has in place a Code of Conduct for the Board Members and Senior Management of the Company and the same is posted on the website of the Company. The declaration signed by Chairman affirming receipt of compliance with the Code of Conduct from all the Board members and Senior Management Personnel during the year 2022-23 is placed as “**Annexure – C-2**” to this Report

## 12. GENERAL INFORMATION FOR SHAREHOLDERS

### 12.1 Means of communication

The Directors’ Report and Financial Statement for the year 2022-23 of IrconISL are available on the website of the Company [www.irconisl.com](http://www.irconisl.com).

### 12.2 Annual General Meeting of the Current Year

Date	:	01 <sup>st</sup> September, 2023
Time	:	12:00 P.M.
Venue	:	Company’s Registered Office - C-4, District Centre, Saket, New Delhi – 110017

### 12.3 Category Wise Shareholding Pattern (As on the date of this report)

Category	No. of Shares held in physical form (Rs.10/- each)	% of Shares Held
Promoters (Ircon International Limited and its Seven nominees)	6,50,00,000	100%
Total	6,50,00,000	100%

Transfer of shares is normally technical in nature, from one nominee shareholder to another consequent upon change of officials by the Holding company as it holds 100% of the shares. To affect this transfer, CEO is the authorized officer, and no transfer is pending.

#### **12.4 Address for Correspondence:**

The address of registered office of the company is:

Ircon Infrastructure & Services Limited

Plot No. C-4, District Centre,

Saket, New Delhi – 110 017

Contact No. : 26530266

E-Mail Id : info@irconisl.com

Website : [www.irconisl.com](http://www.irconisl.com)

Your company has also established its corporate office at Noida, details of which are as follows:

Ircon Infrastructure & Services Limited

B-40A, Second Floor, Sector 1, Noida 201301

Contact No. : 01202970406

E-Mail Id : info@irconisl.com

Website : [www.irconisl.com](http://www.irconisl.com)

#### **13. Compliance on Corporate Governance**

This Report duly complies with the legal requirements in respect of data that should be disclosed in a corporate governance report for the year 2022-2023.

Certificate obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance is placed as “**Annexure C-3**” to this report.

**For and on behalf of the Board of Directors  
Ircon Infrastructure & Services Limited**

Sd/-  
**(Parag Verma)**  
**Chairman**  
**(DIN 05272169)**

**Place:** New Delhi

**Date:** 01.09.2023

**Annexure – “C-1”**

**Chief Executive Officer and Chief Financial Officer Certification on financial Statements for the Financial Year 2022-23**

We have reviewed the Financial Statements including the Balance Sheet, Statement of Profit & Loss, and the Cash Flow Statement for the financial year 2022-23 and to the best of our knowledge and belief we hereby confirmed:

- a) That in preparation of the annual Financial Statements, the applicable Accounting Standards had been followed except as otherwise stated in the annual financial statements and there has been no material departure;
- b) That such Accounting Policies were selected and applied consistently, and such judgments and estimates whatsoever made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March 23 and of the profit of the Company for the financial year 2022-23;
- 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 accounts have been prepared on a “going concern basis.”
- e) That proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Sd/-**  
**Ajay Pal Singh**  
**Chief Executive Officer (CEO)**

**Sd/-**  
**Preeti Shukla**  
**Chief Financial Officer (CFO)**

**Place:** New Delhi

**Date:** 17.05.2023

**Annexure - C2**

**DECLARATION BY CHAIRMAN REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT OF IRCON INFRASTRUCTURE AND SERVICES LIMITED DURING THE FINANCIAL YEAR 2022-2023.**

I, Parag Verma, Chairman, Ircon Infrastructure and Services Limited, do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct of the Company during the financial year 2022-2023.

Sd/-  
**Parag Verma**  
**Chairman**  
DIN: 05272169

**Place:** New Delhi

**Date:** 25.08.2023

**Annexure C-3**

**KANCHAN SAH & ASSOCIATES |Company Secretaries|  
I-31, Gali No. 3, Lalita Park, Laxmi Nagar, Delhi- 110092  
Contact: +91 880 222 1762  
Email: pcskanchan@gmail.com**

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**CERTIFICATE ON COMPLIANCE  
OF CORPORATE GOVERNANCE UNDER DPE GUIDELINES  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

***[Pursuant to para 8.2.1 of the DPE Guidelines 2010]***

**To,  
The Members  
Icon Infrastructure & Services Limited  
Plot No. C-4, District Centre,  
Saket, New Delhi- 110017**

In respect of the compliance of Corporate Governance as required by DPE Guidelines on Corporate Governance for CPSEs, 2010 for the year ended 31st March, 2023. We have examined the relevant records and documents maintained by the Company and furnished to us for our review in this regard.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance in all material respects as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

*Further, it is noted that that as per para 3.1.3 of DPE Guidelines on Corporate Governance for CPSEs, 2010, the number of Nominee Directors appointed on the Board shall be restricted to maximum of two. However, it was observed that the number of Nominee Directors exceeded the limit.*

We further comment that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Kanchan Sah & Associates  
[Company Secretaries]**

**Sd/-  
CS Kanchan Sah  
Proprietor  
M. No. 40907  
COP No. 15309**

**UDIN: A040907E000839749**

**Date: 22/08/2023**

**Place: Delhi**

**Annexure D**

**KANCHAN SAH & ASSOCIATES |Company Secretaries|**  
I-31, Gali No. 3, Lalita Park, Laxmi Nagar,  
Delhi- 110092 Contact: +91 880 222 1762  
Email: pcskanchan@gmail.com



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**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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

**To,**  
**The Members**  
**Ircon Infrastructure & Services Limited**  
**Plot No. C-4, District Centre,**  
**Saket, New Delhi- 110017**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ircon Infrastructure & Services Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, 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 2023, 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 Ircon Infrastructure & Services Limited (“the Company”) for the financial year ended on 31st March 2023 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'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable]**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **[Not applicable]**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable]**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021; **[Not applicable]**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities; **[Not applicable]**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not applicable]**
  - (g) 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; **[Not applicable]**
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not applicable]** and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable]**
- (vi) The Management has confirmed the following other laws as specifically applicable to the Company:
  - a) DPE Guidelines on Corporate Governance, 2010.



- b) Labour Laws to the extent applicable.
- c) Environmental laws to the extent applicable.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. **[Not applicable]**

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

**We further report that:-**

The Board of Directors of the Company is duly constituted with Nominee Directors and the company being wholly owned subsidiary of IRCON (holding Company), all the Nominee Directors are appointed by holding 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.

*As per para 3.1.3 of DPE Guidelines on Corporate Governance for CPSEs, 2010, the number of Nominee Directors appointed by Government/other CPSEs shall be restricted to a maximum of two. However, it was observed that the number of Nominee Directors on the Board exceeded the limit.*

There are no Independent directors in the Company. The Company being a wholly owned subsidiary is exempted from the requirement of having Independent Directors as per provisions of the Act, vide MCA notification "The Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 5<sup>th</sup> July, 2017."

Adequate notice has been given to all directors to schedule the Board Meetings along with Committee Meetings during the financial year under review. Agenda and detailed notes on agenda were sent at shorter notice or at least seven days in advance as the case may be, 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.

All the decisions have been carried unanimously during the financial year under review.

**We further report that** Company has complied with the provisions of Corporate Social Responsibility and transfer of shares were made during the year in accordance with the act.

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

**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 there were no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Kanchan Sah & Associates**

**[Company Secretaries]**

**Sd/-**

**CS Kanchan Sah**

**Proprietor**

**M. No. 40907**

**COP No. 15309**

**UDIN: A040907E000484977**

**Date: 14.06.2023**

**Place: Delhi**

***{This report is to be read with my letter of even date which is annexed as "Annexure A" and forms an integral part of this report.}***

**KANCHAN SAH & ASSOCIATES |Company Secretaries|**  
I- 1, Gali no. 3, Lalita Park, Laxmi Nagar,  
Delhi- 110092 Contact: +91 880 222 1762  
Email: pcskanchan@gmail.com



**“Annexure A”**

To,  
The Members,  
Ircan Infrastructure & Services Limited  
Plot No. 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.
4. Where ever required, we have relied on the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kanchan Sah & Associates**  
**|Company Secretaries|**

**Sd/-**

**Kanchan Sah**  
**Proprietor**

**M. No. 40907**

**COP No. 15309**

**UDIN: A040907E000484977**

**Date: 14.06.2023**

**Place: Delhi**

**Annexure E**

**FORM NO. AOC 2**

**Form for Disclosure of particulars of contracts / arrangements entered by the Company with related parties referred in section 188 (1) of the Companies Act, 2013, including certain arms-length transactions under fourth proviso thereto**

[Pursuant to Section 134 (3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

S. No	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contract/ arrangements / transactions, including the value, if any (Transaction during the period April to March 2023)	Date of approval by the Board, if any	Amount received / paid as advances by IrconISL, if any (Rs.in Lakhs)

1	IRCON INTERNATIONAL LIMITED (Holding Company)	(a)	Providing manpower for IRCON's project in Algeria	<p><b>Date:</b> Agreement dated 26.03.2019</p> <p><b>Duration:</b> 2 years from the date of LOA i.e. 01.10.2017</p> <p><b>Renewal:</b> The agreement extended for further 12 months till 13.09.2022 with effect from 01.10.2021 on the same rate and terms &amp; conditions</p>	Total billing raised by IrconISL towards supply of manpower during the period April to September 2022 is Rs 11.12 lakhs (excluding GST)	Not Applicable	Nil
		(b)	Providing manpower for IRCON's project in Bangladesh	<p><b>Date:</b> Agreement dated 22.05.2020</p> <p><b>Duration:</b> 1 years from the date of LOA i.e. 07.02.2020</p> <p><b>Renewal:</b> Agreement extended for further one year from 07.02.2022 to 31.01.2023 on the same rate and terms &amp; conditions.</p>	Total billing raised by IrconISL towards supply of manpower during the period April to March 2023 is Rs 44.03 lakhs (excluding GST)	Not Applicable	Nil
		(c)	Providing manpower for IRCON's project in Myanmar	<p><b>Date:</b> Agreement dated 15.09.2022</p> <p><b>Duration:</b> 1 years from the date of LOA i.e. 01.04.2022 rate and terms &amp; conditions.</p>	Total billing raised by IrconISL towards supply of manpower during the period April to March 2023 is Rs 80.98 lakhs (excluding GST)	Not Applicable	Nil

	(d)	Leasing of Flash Butt Machine to Ircon DFC CT-12 Project	<b>Date:</b> Agreement dated 24.05.2022 <b>Duration:</b> 1 years from the date of LOA i.e. 05.03.2022	Total billing raised by IrconISL towards Leasing of Machine during the period April to March 2023 is Rs 337.01 lakhs (excluding GST)	Not Applicable	Nil
	(e)	Leasing of Machine to Ircon Srilanka Project	<b>Date:</b> Lease Agreement dated 27.03.2023 <b>Duration:</b> 1 years from the date of LOA	Total billing raised by IrconISL towards Leasing of Machine during the period April to March 2023 is Rs 117.97 lakhs (excluding GST)	Not Applicable	Nil
	(f)	Noida Building Rent & Room no 208 at Saket Office to IRCON's Corporate Office	<b>Date:</b> Lease Agreement dated 11.10.2021 (effective from 01.01.2021) From 1st January 2021 Corporate office of IrconISL is shifted to Ircon's Noida Office.	Total billing raised by Ircon Corporate office towards rent payable during the period April to March 2023 is Rs 58.16 lakhs (excluding GST)	Not Applicable	Nil
	(g)	Noida Building Repair & maintenance charges & Electricity Charges on	<b>Date:</b> Lease Agreement dated 11.10.2021 (effective from 01.01.2021) From 1st January 2021 Corporate office of IrconISL is shifted to Ircon's Noida Office	Total billing raised by Ircon's Northern Region towards repair & maintenance charges payable during the period April to March	Not Applicable	Nil

			actual basis to IRCON's Northern Region		2023 is Rs 22.63 lakhs (excluding GST) and towards electricity charges is Rs 14.12 lakhs		
		(h)	Rent for IRCON Flat at Bangaluru allotted to Sh Shashidhar S Mathad (AGM/Civil)	<b>Approval Letter no :</b> Ircon/CO/EMD/Properties/SR/7/02 Dated 15.07.2022	Total billing raised by Ircon Southern Region towards rent payable for the IRCON Flat allotted to Sh Shashidhar S Mathad during the period April to March 2023 is Rs 4.93 lakhs (excluding GST)	Not Applicable	Nil
		(i)	Rent for Guest House at Mumbai provided to IrconISL Mumbai Project	<b>Date:</b> Agreement dated 21.11.2022 <b>Duration:</b> 3 years w.e.f 20.10.2022	Total billing raised by Ircon Mumbai Region towards rent payable for the Guest House provided to IrconISL Mumbai during the period April to March 2023 is Rs 4.26 lakhs (excluding GST)	Not Applicable	Nil
		(j)	Leasing of MPT Machine to Ircon DFC	<b>Date:</b> Agreement dated 07.03.2023 <b>Duration:</b> 1 years from the date of LOA i.e. 06.12.2022	Total billing raised by IrconISL towards Leasing of MPT Machine during the period	Not Applicable	Nil

			CT-12 Project		April to March 2023 is Rs 93.70 lakhs (excluding GST)		
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**For and on behalf of the Board of Directors  
Ircan Infrastructure & Services Limited**

Sd/-  
**Parag Verma**  
**Chairman**  
DIN: 05272169

**Place:** New Delhi  
**Date:** 01.09.2023



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF Ircon Infrastructure & Services Limited

#### Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Ircon Infrastructure & Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'Ind AS financial statements')

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial statements for the financial year ended March 31, 2023.

We have determined that there are no key audit matters to communicate in our report.

#### Other Information

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

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

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

other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Being a government company, provisions of section 164(2) of the Act are not applicable pursuant to the notification no.G.S.R.463(E) dated 5 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-A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5<sup>th</sup> 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (b) above, contain any material misstatement.
- v. The company has not declared or paid dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. Our separate report on directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 is attached as "Annexure C".

**For K M G S & Associates**  
**Chartered Accountants**  
(Firm's Registration No. 004730N)

Sd/-  
**CA SUNDEEP JINDAL**  
Partner  
(Membership No.095051)

Place of Signature: New Delhi  
Date: 18<sup>th</sup> May 2023

UDIN: 23095051BGPQST7919

**Annexure 'A' to the independent auditor's report of even date on the Ind AS financial statements of Ircon Infrastructure & Services Limited**

**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 Infrastructure & Services Limited** ("the Company") as of March 31, 2023 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 maintain 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 (the '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 Act.

**Auditors' Responsibility**

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

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

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

### **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 details, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over financial reporting with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

**For K M G S & Associates**  
**Chartered Accountants**  
(Firm's Registration No. 004730N)

Sd/-  
**CA SUNDEEP JINDAL**  
Partner  
(Membership No.095051)

Place of Signature: New Delhi  
Date: 18<sup>th</sup> May 2023  
UDIN: 23095051BGPQST7919

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the auditors' report of even date to the members of Ircon Infrastructure & Services Limited on the financial statements for the year ended 31<sup>st</sup> March, 2023)**

In terms of information and explanations given to us and the books and records examined by us, we report that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) According to the information and explanations given to us, the Property, Plant and Equipment were physically verified during the year by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records.
- (c) The Company does not hold any immovable property as at the balance sheet date and therefore this clause is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) The Company does not hold any benami property. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on physical verification carried out at the end of the year.
  - (b) During any point of time of the year, the company has not been sanctioned any working capital limits in excess of Rs.5 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) As informed, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties. Accordingly, all the sub-clauses under this clause are not applicable.
- (iv) The Company has not granted loan, made investment, and provided guarantee and security. Hence Paragraph 3(iv) of the order is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts deemed to be deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.



- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There are no undisputed amounts payable in arrears, as at March 31st, 2023 for period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, no disputed amount is payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, Goods & Services tax, cess and other material statutory dues except as under:

<b>Nature of statute</b>	<b>Nature of dues</b>	<b>Forum where dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount (in Rs crores)</b>
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax-I (Appeals), New Delhi	FY 2018-2019	3.45

- (viii) In our opinion and according to the information and explanations given to us, the company has not surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (43 of 1961), any transactions not recorded in the books of accounts.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) In our opinion and according to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The company has not taken any term loan and therefore this clause is not applicable.
- (d) The company has not raised any funds on short term basis and therefore this clause is not applicable.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of it's subsidiaries, associates or joint ventures and therefore this clause is not applicable.
- (f) The company has not raised any loans during the year on the pledge of securities held in it's subsidiaries, joint ventures or associate companies.
- (x) (a) Based on information and explanations given to us by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

- (b) Based on information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the company has been noticed or reported during the course of our audit. Therefore, sub-clause (b) and (c) of this clause are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion, the company has an internal audit system commensurate with the size and nature of it's business.  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Companies Act 2013. Accordingly, the provisions of this clause of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.  
(b) In our opinion and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.  
(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
(d) In our opinion and according to the information and explanations given to us, the company is not part of a Group which has more than one CIC as part of the Group.

- (xvii) In our opinion and according to the information and explanations given to us, the company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of Statutory Auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility ('CSR') on any projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section(5) of section 135 of the said Act. According, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no ongoing project amount remaining unspent under sub-section (6) of section 135 of the Act. According, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (xxi) In our opinion and according to the information and explanations given to us, there is no requirement of consolidation of financial statements of other entities applicable on the company and therefore this clause is not applicable to the company.

**For K M G S & Associates**  
**Chartered Accountants**  
(Firm's Registration No. 004730N)

Sd/-  
**CA SUNDEEP JINDAL**  
Partner  
(Membership No.095051)

Place of Signature: New Delhi  
Date: 18<sup>th</sup> May 2023  
UDIN: 23095051BGPQST7919

### **Annexure C**

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

<b>Sl. No.</b>	<b>Directions</b>	<b>Auditor's Replies</b>
(i)	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	The Company is using SAP S/4 Hana system to process all the accounting transactions and used for preparation of the financial accounts. As per information and explanations provided to us no accounting transaction/s has been processed outside the IT system except income billing for which no financial implication were observed.
(ii)	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).	During the year, no existing loan has been restructured or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the reason due to the Company's inability to repay the loan have been found.
(iii)	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation,	No funds have been received /receivable from any Central or State agencies for any specific schemes during the financial year 2023-2023.

**For K M G S & Associates**  
**Chartered Accountants**  
(Firm's Registration No. 004730N)

Sd/-  
**CA SUNDEEP JINDAL**  
Partner  
(Membership No.095051)

Place of Signature: New Delhi  
Date: 18<sup>th</sup> May 2023  
UDIN: 23095051BGPQST7919

**BALANCE SHEET**  
**As at 31st March 2023**

(Rs. in crore)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and equipment	3	21.83	16.05
(b) Capital work-in-progress	4	-	-
(c) Intangible assets	5	78.67	80.82
(d) Financial Assets	6		
(i) Loans	6.1	0.01	0.03
(ii) Others	6.2	3.29	2.93
(e) Deferred Tax Asset (Net)	7	2.18	-
		105.98	99.83
<b>2 Current assets</b>			
(a) Inventories	8	5.40	4.32
(b) Financial Assets	9		
(i) Trade Receivables	9.1	78.61	90.68
(ii) Cash and cash equivalents	9.2	31.10	39.34
(iii) Bank Balances other than (ii) above	9.3	105.30	95.21
(iv) Loans	9.4	0.02	0.02
(v) Other financial assets	9.5	28.97	6.06
(c) Current Tax Assets ( Net)	10	-	0.97
(d) Other current assets	11	20.39	23.98
Asset held for Sale	12	0.70	1.12
<b>Total Current Assets</b>		270.49	261.70
<b>Total Assets</b>		<b>376.47</b>	<b>361.53</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	13	65.00	65.00
(b) Other Equity	14	105.26	99.94
		170.26	164.94
<b>2 Liabilities</b>			
<b>(i) Non-current liabilities</b>			
(a) Financial Liabilities	15		
(i) Lease Liabilities		-	-
(ii) Other financial liabilities	15.1	27.92	16.62
(b) Provisions	16	0.23	0.16
(c) Deferred Tax Liabilities (Net)	7	-	4.33
(d) Other Non-Current Liabilities	17	17.71	31.17
		45.86	52.28
<b>4 Current liabilities</b>			
(a) Financial Liabilities	18		
(i) Lease Liabilities			
(ii) Trade payables			
- Dues of Micro Enterprises & Small Enterprises	18.1	2.86	1.89
- Total Outstanding Dues of creditors other than of Micro Enterprises & Small Enterprises		16.10	13.64
(ii) Other financial liabilities	18.2	44.03	17.21
(b) Other current liabilities	19	90.19	107.04
(c) Provisions	20	0.15	0.06
(d) Current Tax Liability ( Net)	21	7.02	4.47
		160.35	144.31
<b>Total Equity and Liabilities</b>		<b>376.47</b>	<b>361.53</b>
III. Summary of Significant Accounting policies	1-2		
IV. Notes forming part of Financial Statements	3-46		

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.M.G.S. & Associates  
Chartered Accountants  
FRN - 004730N

Sd/-  
Preeti Shukla  
C.F.O

Sd/-  
Ajay Pal Singh  
C.E.O

Sd/-  
Manisha Gupta  
C.S.

Sd/-  
CA Sundeep Jindal  
(Partner)  
M. No. 095051

Sd/-  
Abheejit Kumar Sinha  
Director  
(DIN-09213782)

Sd/-  
Parag Verma  
Chairman  
(DIN- 05272169)

Place : New Delhi  
Date : 18<sup>th</sup> May 2023

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Registered Office: C-4, District Centre Saket, New Delhi-110017; Tel: +91-11-29565666**  
**Corporate Office: B-40A, Sector 1 Noida, Uttar Pradesh-201301; Tel: +91-120-2970406**  
**STATEMENT OF PROFIT AND LOSS**  
**For the period ended 31st March 2023**

(Rs. in crore)

	Particulars	Note No.	For the period ended 31st March 2023	For the period ended 31st March 2022
	<b>Revenue :</b>			
I	Revenue from operations	22	218.91	170.84
II	Other income	23	3.94	7.05
III	<b>Total Income (I + II)</b>		<b>222.85</b>	<b>177.89</b>
	<b>Expenses:</b>			
	Materials and Stores Consumed	24	0.20	0.04
	Operating Expenses	25	194.76	146.32
	Employee benefits expenses	26	11.84	11.35
	Finance costs	27	-	-
	Depreciation and amortization Expenses & Impairment	28	4.54	3.49
	Other Expenses	29	4.38	3.34
	<b>Total Expenses (IV).</b>		<b>215.72</b>	<b>164.54</b>
V	<b>Profit/loss Before exceptional items and Tax (III - IV)</b>		<b>7.13</b>	<b>13.35</b>
VI	Exceptional items			
VII	Profit/(Loss) before tax (V - VI)		7.13	13.35
VIII	Tax expense:	7		
	(1) Current tax			
	- For the year		8.41	3.62
	- For earlier years (net)		-0.11	4.78
	(2) Deferred tax (net)		-6.50	-0.35
	Total Tax Expense (VIII)		1.80	8.05
IX	<b>Profit/(loss) for the period from continuing operation (VII - VIII)</b>		<b>5.33</b>	<b>5.30</b>
X	Profit/(loss) from discontinued operations			
XI	Tax Expense of discontinued operations			
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)			
XIII	<b>Profit/(loss) for the period (IX+XII)</b>		<b>5.33</b>	<b>5.30</b>
XIV	<b>Other Comprehensive Income</b>	30		
	A. (i) Items that will not be reclassified to profit and loss		-0.02	-
	(ii) Income Tax relating to Items that will not be reclassified to profit and loss		0.01	-
	B. (i) Items that will be reclassified to profit and loss			
	(ii) Income Tax relating to Items that will be reclassified to profit and loss		-0.01	-
	<b>Total Comprehensive Income for the year (IX +X)</b> <b>(Comprising profit/(loss) and other comprehensive income for the year, net of tax)</b>		<b>5.32</b>	<b>5.30</b>
XVI	Earnings Per Equity Share: (For Continuing Operation)			
	(1) Basic (In ₹)	31	0.82	0.82
	(2) Diluted (In ₹)		0.82	0.82
	<b>Face Value per equity share (In ₹)</b>		<b>10.00</b>	<b>10.00</b>
XVII.	<b>Summary of Significant Accounting Policies</b>	1-2		
XVIII	<b>Notes forming part of Financial Statements</b>	3-46		

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.M.G.S. & Associates  
Chartered Accountants  
FRN - 004730N

Sd/- Preeti Shukla C.F.O      Sd/- Ajay Pal Singh C.E.O      Sd/- Manisha Gupta C.S.

Sd/-  
CA Sundeep Jindal  
(Partner)  
M. No. 095051

Sd/- Abheejit Kumar Sinha  
Director  
(DIN-09213782)      Sd/- Parag Verma  
Chairman  
(DIN- 05272169)

Place : New Delhi  
Date : 18<sup>th</sup> May 2023

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Registered Office: C-4, District Centre Saket, New Delhi-110017; Tel: +91-11-29565666**  
**Corporate Office: B-40A, Sector 1 Noida, Uttar Pradesh-201301; Tel: +91-120-2970406**  
**Statement of Cash Flow**  
**For the period ended 31st March 2023**

(Rs. in crore)

Particulars		For the period ended 31st March 2023	For the period ended 31st March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation		7.13	13.35
Adjustment for :		-	-
Depreciation, amortization and impairment		4.54	3.49
Loss / (Profit) on disposal of assets <sup>1</sup>		-	-
Finance costs		-	-
Interest Income		(2.55)	(2.52)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(0.02)	(0.20)
Provision on Doubtful Debts		28.10	-
<b>Operating Profit before Current /Non-Current Assets and Liabilities</b>	<b>(1)</b>	<b>37.20</b>	<b>14.12</b>
Adjustment for :			
Decrease / (Increase) in Inventories		(1.08)	(1.28)
Decrease / (Increase) in Trade Receivables		(16.03)	(8.41)
Decrease / (Increase) in Loans		-	0.01
Decrease / (Increase) in Other Financial Assets		-21.97	-0.03
Decrease / (Increase) in other Current Assets		3.59	(2.89)
Decrease / (Increase) in Non Current Financial Assets		0.02	0.02
Decrease / (Increase) in Other Non-current Financial Assets		(0.36)	(2.89)
(Decrease) / Increase in Other Non-current Liability		(13.46)	(0.30)
(Decrease) / Increase in Provisions		0.07	(0.07)
(Decrease) / Increase in Other Non Current Assets		-	-
(Decrease) / Increase in Trade Payables		3.43	(5.73)
(Decrease) / Increase in Other Financial Liability		38.12	5.41
(Decrease) / Increase in Other Current Liability		-16.85	18.11
(Decrease) / Increase in Provisions		0.07	(0.06)
		-	-
<b>Cash generated from operation</b>	<b>(1+2)</b>	<b>12.75</b>	<b>16.01</b>
Income Tax Paid(Net of Refunds)		(4.78)	(10.12)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>7.97</b>	<b>5.89</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital Expenditure on PPE, Intangible Assets & Intangible under Development		(7.78)	(11.08)
Sale of Fixed Asset <sup>1</sup>		0.03	-
Capital Advances given during the year		-	-
Interest Received		1.61	3.57
Decrease / (Increase) in Bank Balance other than those taken to CCE		(10.09)	(17.62)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>(16.23)</b>	<b>(25.13)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceed from issue of share capital		-	-
Proceeds from Borrowings		-	-
Finance Cost		-	-
Dividend (including Dividend Distribution Tax) paid		-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>		
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	<b>(D)</b>	<b>0.02</b>	<b>0.20</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>(A+B+C+D)</b>	<b>(8.24)</b>	<b>(19.04)</b>
<b>Components of Cash and Cash Equivalents</b>			
<b>CASH AND CASH EQUIVALENT (OPENING)</b>	<b>(E)</b>	<b>39.34</b>	<b>58.38</b>
Cash Balances		0.04	0.03
<b>Balance with Banks</b>		-	-
Current Accounts		2.50	0.35
- Flexi Accounts		36.80	57.99
Short term investments		-	-
<b>CASH AND CASH EQUIVALENT (CLOSING)</b>	<b>(F)</b>	<b>31.10</b>	<b>39.34</b>
Cash Balances		-	0.04
Funds in transit		-	-
<b>Balance with Banks</b>		-	-
Current Accounts		0.90	2.50
- Flexi Accounts		30.20	36.80
FDR maturing in less than 3 months		-	-
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>(F - E)</b>	<b>(8.24)</b>	<b>(19.04)</b>

<sup>1</sup> Loss on Sale of Fixed Asset for Current Year is Rs. 0.004 Cr ( Previous Year Rs. 0.004 Cr)

Note: 1. Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

2. Figures in brackets represent outflow of cash.

3. Figures of the previous year have been regrouped / recasted wherever necessary.

As per our Report of even date attached

For K.M.G.S. & Associates  
Chartered Accountants  
FRN - 004730N

Sd/-  
CA Sundeep Jindal  
(Partner)  
M. No. 095051

Place : New Delhi  
Date : 18<sup>th</sup> May 2023

For and on behalf of the Board of Directors

Sd/- Preeti Shukla C.F.O      Sd/- Ajay Pal Singh C.E.O      Sd/- Manisha Gupta C.S.

Sd/- Abhejit Kumar Sinha Director (DIN-09213782)      Sd/- Parag Verma Chairman (DIN- 05272169)

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Registered Office: C-4, District Centre Saket, New Delhi-110017; Tel: +91-11-29565666**  
**Corporate Office: B-40A, Sector 1 Noida, Uttar Pradesh-201301; Tel: +91-120-2970406**  
**Statement of changes in equity for the period ended 31-March-2023**

**A. Equity share capital<sup>1</sup>**

(Rs. in crore)

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance at the beginning of the Current Reporting Period	Movement during the Year	Balance as at March, 2023
65.00	-	65.00	-	65.00

<sup>1</sup>Refer Note 13

**B. Other Equity<sup>2</sup>**

(Rs. in crore)

Particulars	Reserve & Surplus			Items of Other Comprehensive Income (Actuarial Gain/ (Losses))	Total
	Share application money pending allotment	General Reserve	Retained Earnings		
<b>Balance as at April 1, 2022</b>	-	88.89	11.05	-	99.94
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	-	88.89	11.05	-	99.94
Profit/(Loss) for the year	-	-	5.33	-	5.33
Other Comprehensive Income for the year, net of Income Tax	-	-	-0.01	-	-0.01
Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-
<b>Total Comprehensive Income</b>	-	-	5.32	-	5.32
Transfer to General Reserve	-	-	-	-	-
Addition during the year	-	-	-	-	-
Refunded/issued during the year	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	-	88.89	16.37	-	105.26

<sup>2</sup>Refer Note 14

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.M.G.S. & Associates  
Chartered Accountants  
FRN - 004730N

Sd/- Preeti Shukla C.F.O	Sd/- Ajay Pal Singh C.E.O	Sd/- Manisha Gupta C.S.
--------------------------------	---------------------------------	-------------------------------

Sd/-  
CA Sundeep Jindal  
(Partner)  
M. No. 095051

Sd/-  
Abheejit Kumar Sinha  
Director  
(DIN-09213782)

Sd/-  
Parag Verma  
Chairman  
(DIN- 05272169)

Place : New Delhi  
Date : 18<sup>th</sup> May 2023





## Accounting Policies

### **Note 1: Corporate Information**

Ircon Infrastructure & Services Limited is a wholly owned Subsidiary Company of Ircon International Limited. The company domiciled in India and is incorporated under the provisions of the companies Act applicable in India. The Company had initially incorporated for Construction and development of Multi-Functional Complexes (MFCs) at identified Railway stations to provide amenities to Railway users. Also, the company diversified progressively to Infrastructure Consultancy Projects, Preparation of DPR and FS, Project Management Consultancy Projects, Supply of Manpower, Leasing of Plant & Machinery, Sub- Leasing of MFCs and execution of CSR projects of various clients including Holding Company. The Company caters to both domestic and international markets. The registered office of the company is located at C-4, District Centre, Saket, New Delhi - 110017.

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

The standalone financial statements are approved for issue by the company's Board of Directors in their meeting held on 18.05.2023.

### **Note 2: Significant Accounting Policy under Ind AS (Standalone).**

#### **2.1 Basis of Preparation**

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

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

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

#### **2.2 Summary of significant accounting policies**

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

## Accounting Policies

### 2.2.1 Current vs non-current classification

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

#### **An asset is treated as current when it is:**

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

The Company classifies all other assets as non-current.

#### **A liability is current when:**

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

The Company classifies all other liabilities as non-current.

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

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

### 2.2.2 Property, plant and equipment

#### **Recognition and Initial Measurement**

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

Cost of asset includes

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

## Accounting Policies

Freehold land is carried at historical cost.

### **Subsequent measurement**

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

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

The machinery spares are capitalized if recognition criteria are met.

### **Depreciation and useful lives**

Depreciation on property, plant and equipment, excluding freehold land is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013. However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013.

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

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

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

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

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

## Accounting Policies

### **Derecognition**

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

### **2.2.3 Capital work in progress**

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

### **2.2.4 Investment properties**

#### Recognition and initial measurement

Investment Property is recognized when it is probable that future economic benefits associated with the property will flow to the company and the cost of property can be measured reliably. Investment property comprises completed property, property under construction and property held under a lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Investment properties are measured initially at cost, including transaction costs.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other Ind AS.

#### Subsequent measurement and depreciation

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent cost is added if recognition criteria is met. The Company depreciates building component of investment property on straight line basis over 60 years from the date of original purchase/ completion of construction. Freehold land and property under construction is not depreciated.

Leasehold land acquired on perpetual lease is not amortized.

The residual values, useful lives and methods of depreciation of investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair value determined based on an annual evaluation performed by an accredited external independent valuer applying valuation model acceptable internationally.

#### Derecognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is

## Accounting Policies

expected from their disposal. The difference between the net disposal proceeds if any and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.

### 2.2.5 Intangible assets

#### Recognition and initial measurement

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

#### **Subsequent measurement and amortization**

Intangible assets are amortized over their respective estimated useful lives on a straight-line basis from the date that they are available for use.

The estimated useful life of intangibles are as follows:

<b>Intangible Assets</b>	<b>Useful life</b>	<b>Internally generated or self-generated</b>
Lease Right	Useful life of MFC	Internally generated

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

Leasehold land and improvements are amortized over the lower of estimated useful life and lease term.

Software cost up to Rs. 1.00 Lakhs in each case is fully amortised in the year of purchase, by keeping Rs. 1 as token value for identification.

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

#### Derecognition

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

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### **2.2.6 Impairment of non-financial assets**

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

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

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

### **2.2.7 Investment in equity instruments of subsidiaries and joint ventures**

Investment in equity instruments of subsidiaries and joint ventures are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is recognized to the statement of profit and loss.

### **Interests in joint operations**

The Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

### **2.2.8 Inventories**

a) Inventories (including scrap) are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on

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First in First out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- b) Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at lower of cost or realizable value thereafter.
- c) The initial contract expenses on new projects for mobilization are recognized as construction work-in-progress in the year of incidence, and pro rata charged to statement of profit and loss of the project over the period at the same percentage as the stage of completion of the contract as at the end of reporting period. Site mobilization expenditure to the extent not written off valued at cost.
- d) In Cost Plus contracts, where the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (a) above.
- e) Loose tools are expensed in the period of purchase.

### 2.2.9 Revenue Recognition

#### (a) Revenue from contracts with customers

(i) **Revenue from Project Management Consultancy (PMC) Services:** Revenue from contract with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from contract with customers is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

When another party is involved in providing goods or services to our customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. Revenue is booked on gross basis where the company acts as a principal and on net amount that it retains for its services, in case the company acts as an agent. The Company has recognized revenue by considering the substance of the contracts.

In all PMC Contracts, the Company recognize revenue for a performance obligation satisfied over time after reasonably measuring its progress towards complete satisfaction of the performance obligation, In case where the outcome of a performance obligation cannot be reasonably measured but the Company expects to recover the



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costs incurred in satisfying the performance obligation, the revenue is being recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

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

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable consideration, if any.

After contract inception, the transaction price can change for various reasons. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

Estimate of revenues, costs, or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are recognized by including it in profit or loss in the period of the change, if the change affects that period only or the period of change and future periods, if the change affects both.

If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. If a customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liability is recognized as revenue when the Company performs under the Contract.

### **(ii) Revenue from Supply of manpower/hiring of machinery:**

The Company recognizes revenue on satisfaction of the performance obligation by transferring the promised service (i.e. supply of agreed manpower/hiring of machinery) as mentioned in the contract with the customer. Such services are recognized as a

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performance obligation satisfied over time because the customer simultaneously receives and consumes the benefit provided by the Company.

Other operating income represents income earned from the activities incidental to business and is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract.

### **(b) Other Revenue Recognition**

- i) Dividend income is recognized when the right to receive payment is established.
- ii) Interest income is recognized using Effective Interest rate Method. Interest income is included in other income in the Statement of Profit and Loss.
- iii) Miscellaneous income is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract

### **2.2.10 Borrowing cost**

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

### **2.2.11 Taxes**

#### a) Current income Tax

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

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

#### b) Deferred Tax

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

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

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

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

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

### **2.2.12 Foreign currencies**

- Functional and presentation currency

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

- Transactions and balances

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

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

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

- Foreign Operations

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Foreign Operations related to branches that have the functional currency different from the presentation currency are translated into presentation currency. For the purpose of standalone financial statements, the assets and liabilities (both monetary and non-monetary) of the Company's foreign branches are translated into Indian rupees using exchange rates prevailing at the end of reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuate significantly during the period, in which case the exchange rates at the dates of transaction are used. Exchange difference arising, if any, are recognized in other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of foreign operations (on closure of the books of the project), all the exchange differences accumulated in equity in respect of that operation are reclassified to statement of profit and loss.

### 2.2.13 Employee benefit

#### a) Short-term employee benefits

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

#### b) Post-employment benefits

- **Defined Contribution Plan:** A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss during the period in which the employee renders the related services.

For the regular employee, company deposit contribution toward employee pension scheme through NPS and are charged to the statement of Profit and loss for the year when the contributions are due.

- **Defined Benefit Plan:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Company. The company's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Company and recognized as expense and are charged to statement of profit and loss. The Company pays fixed contribution to the recognized provident fund at predetermined rates to EPFO and are charged to statement of profit and loss.

#### c) Other long-term employee benefits

The Company treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured

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at present value of the obligation based on actuarial valuation using the projected unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

### **Others:**

- i. The persons working for the company are on nomination/secondment basis and are on the rolls of its Holding company. Provisions for leave encashment, gratuity and other retirement benefits are made by its holding company based on actuarial valuation at the year end.
- ii. Provision for leave salary is made in the books of accounts only for the contract employee posted at foreign project wherever applicable as no other retirement benefit are payable to them.
- iii. Provident Fund contribution of the employees on nomination/secondment is made by the Holding Company to its PF Trust on accrual basis.

### **2.2.14 Cash and cash equivalents**

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

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

### **2.2.15 Dividend**

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

### **2.2.16 Provisions, contingent assets and contingent liabilities**

#### **a) Provisions**

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

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

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

### **b) Onerous contracts**

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

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

### **c) Contingent liabilities**

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

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

### **d) Contingent assets**

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

## **2.2.17 Leases**

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

### **a) Company as a lessee**

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

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### i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Leasehold land acquired on perpetual lease is not amortized.

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

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

### ii) Lease liabilities

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

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

The Company's lease liabilities are included in financial liabilities

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

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

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payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company has given adjustments for lease accounting in accordance with Ind AS 116 which came into effect on 1 April 2019, and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116.

### b) Company as a lessor

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

## 2.2.18 Financial instruments

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

### a) Financial assets

#### Initial recognition and measurement

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

#### Subsequent measurement

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

- Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance



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income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Debt instruments at FVTOCI**

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

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

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

- **Debt instruments at FVTPL**

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

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

- **Equity instruments**

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

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

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

### **Impairment of financial assets**

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

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

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

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

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

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

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

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

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of

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the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

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

### Derecognition of financial assets

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

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

## **b) Financial liabilities**

### Initial recognition and measurement

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

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

### Subsequent measurement

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

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

The company has not designated any financial liabilities at FVTPL.

- **Financial liabilities at amortized cost**

### Loans, borrowings, trade payables and other financial liabilities

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

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integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### Derecognition of financial liabilities

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

#### **c) Financial guarantee contracts**

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

#### **d) Reclassification of financial assets**

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

#### **e) Offsetting of financial instruments**

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

### **2.2.19 Fair value measurement**

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

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

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value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

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

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

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

### **2.2.20 Non – current asset held for sale**

## Accounting Policies

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

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

### **2.2.21 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.

### **2.2.22 Significant accounting estimates and judgments**

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

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

- a. Allowances for uncollected trade receivables

## Accounting Policies

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

### b. Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### c. Contingencies

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

### d. Impairment of financial assets

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

### e. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

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

## Accounting Policies

### f. Impairment of non financial assets

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

### g. Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification.

### h. Leases - Estimating the incremental borrowing rate

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

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

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

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

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



## Accounting Policies

- Estimated total revenues and estimated total costs to completion, including claims and variations.

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

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

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**3 Property, Plant and Equipment**

Particulars	(Rs. in crore)									
	Plant & Machinery	Computers	Furniture, Fixtures, Furnishings	Air Conditioners	Electric Appliance	Office Equipment's	Laboratory Equipment's	Vehicle	Total	
<b>Cost or valuation- At Cost</b>										
At 1st April 2021	11.32	0.41	0.16	0.02	0.02	0.06	-	0.03	12.02	
Additions	12.04	0.05	-	-	-	0.01	-	-	12.10	
Disposals/Adjustments	-	0.09	-	-	-	-	-	-	0.09	
At 31 March 2022	23.36	0.37	0.16	0.02	0.02	0.07	-	0.03	24.03	
Additions	7.62	0.07	0.04	-	-	0.05	-	-	7.78	
Disposals/Adjustments	1.50	-0.10	-0.01	-0.02	-0.02	-	-	-	1.35	
At 31st March 2023	32.48	0.34	0.19	-	-	0.12	-	0.03	33.15	
<b>Accumulated Depreciation and impairment</b>										
At 1st April 2021	7.13	0.27	0.03	0.01	-	0.04	-	-	7.47	
Depreciation charge for the year	0.49	0.06	0.02	-	-	0.02	-	-	0.59	
Disposals/Adjustments	-	0.08	-	-	-	-	-	-	0.08	
At 31 March 2022	7.62	0.25	0.05	0.01	-	0.06	-	-	7.98	
Depreciation charge for the year	1.87	0.06	0.02	-	-	0.02	-	-	1.97	
Disposals/Adjustments	1.50	-0.08	-	-0.01	-0.02	-0.02	-	-	1.37	
At 31st March 2023	10.99	0.23	0.07	-	-0.02	0.06	-	-	11.32	
<b>Net book value</b>										
At 31st March 2023	21.49	0.11	0.12	-	0.02	0.06	-	0.03	21.83	
At 31 March 2022	15.74	0.12	0.11	0.01	0.02	0.01	-	0.03	16.05	

## PPE Disclosure

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 (in Years)	Useful life adopted based on technical evaluation (in years)
Building/flats residential/non residential *	60	8-60
Plant and Machinery *	8-15	1-15
Survey instruments	10	10
Computers	3-6	3-6
Office Equipment's	5-10	5-10
Furniture and fixtures	10	10
Caravans, Camps and temporary shed	3-5	3-5
Vehicles	8-10	8-10

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

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
Notes forming part of the financial statements for the year ended 31st March 2023

**4 Non - Current Assets**

**Capital Work in Progress**

	(Rs. in crore)
Particulars	Amount
Opening balance at 1st April 2021	2.88
Additions (subsequent expenditure)	2.30
Adjustments	-4.43
Impairment	-0.75
<b>Closing balance at 31 March 2022</b>	<b>-</b>
Opening balance at 1st April 2022	-
Additions (subsequent expenditure)	-
Adjustments	-
Impairment	-
<b>Closing balance at 31 March 2023</b>	<b>-</b>
<b>Net Book Value</b>	<b>-</b>
<b>CWIP as on 31st March 2023</b>	<b>-</b>
<b>CWIP as on 31st March 2022</b>	<b>-</b>

**4.1 Capital Work-in-Progress Ageing Schedule-  
As on 31st March 2023-**

	Amount in CWIP for a period of				(Rs. in crore)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**As on 31st March 2022-**

	Amount in CWIP for a period of				(Rs. in crore)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**Details of Capital Work in Progress-**

**As on 31st March 2023-**

	Opening Balance as at 1st April, 2022	Additions during the year 2022-23	Capitalisation of CWIP into tangible Assets/Transfer to Assets Held for Sale	(Rs. in crore)
* Details of Assets under Development				Balance as at 31st March 2023
Capital Work In Progress (Track Machines)				
Track Machine CSM 906	-	-	-	-
Track Machine CSM 911	-	-	-	-
Track Machine UNIMAT 8255	-	-	-	-
Track Machine Expenses	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As on 31st March 2022-

(Rs. in crore)

* Details of Assets under Development	Opening Balance as at 1st April, 2021	Additions during the year 2021-22	Capitalisation of CWIP into tangible Assets/Transfer to Assets Held for Sale	Balance as at 31st March 2022
Capital Work In Progress (Track Machines)				
Track Machine CSM 906	0.84	0.09	0.94	-
Track Machine CSM 911	0.84	0.09	0.94	-
Track Machine UNIMAT 8255	1.20	2.11	3.31	-
<b>T O T A L</b>	<b>2.88</b>	<b>2.29</b>	<b>5.19</b>	<b>-</b>

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**5 Intangible Assets**

<b>(Rs. in crore)</b>			
<b>Particulars</b>	<b>Software</b>	<b>Lease Right</b>	<b>Total</b>
<b>Opening balance At 1 April 2021</b>	-	95.15	95.15
Addition during the year			
Adjustment			
<b>Closing balance At 31 March 2022</b>	-	95.15	95.15
Addition during the year			
Adjustment			
<b>Closing balance At 31st March 2023</b>	-	95.15	95.15
<b>Opening balance At 1 April 2021</b>	-	12.18	12.18
Amortisation	-	2.15	2.15
Impairment	-	-	-
Adjustment	-	-	-
<b>Closing balance At 31 March 2022</b>	-	14.33	14.33
Amortisation	-	2.15	2.15
Impairment	-	-	-
Adjustment	-	-	-
<b>Closing balance At 31st March 2023</b>	-	16.48	16.48
<b>Net book value</b>			
<b>At 31 March 2023</b>	-	78.67	78.67
<b>At 31 March 2022</b>	-	80.82	80.82

1. Lease Rights :- The company has entered into an agreement with RLDA (Rail Land Development Authority) to build Multi Functional Complexes (MFCs) at various railway stations. The Land belongs to Railways and the company has construct the buildings on the same and having lease rights (commercial Rights) of 45 years from the date of commencement of MFC.

2. The Lease Rights has been amortised over the lease period from the date in which the concerned project comes into commercial operations on prorata basis. The amount amortised during the year Rs 2.15 crore (F.Y 2021-22 Rs 2.15 crore )

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**6 Non - Current Financial Assets**

**6.1 Loans**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Staff Loan<sup>1</sup></b>		
A.Considered Good: Secured,	0.01	0.03
<b>Total</b>	<b>0.01</b>	<b>0.03</b>

<sup>1</sup>Loans and Advances stated above do not include debts due by officers of the company, firm in which director is a partner or private company in which director is a member.

**6.2 Other financial assets**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Considered Good: UnSecured</b>		
Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee) <sup>2</sup>	3.27	2.90
Interest Accrued on Staff Loans & Advances	0.02	0.03
<b>Total</b>	<b>3.29</b>	<b>2.93</b>

<sup>2</sup>Rs 3.27 Crore as on 31st March 2023 ( 31st March 2022 Rs. 2.90 crore) represents fixed deposit pledged to Statutory Authorities/against 100% margin for BG issued to Ministry of External Affairs for Myanmar Road Project. (FDR against pledged to Ministry of External Affairs for Myanmar Road Project/Statutory Authorities).

7 Deferred Tax Assets and Income Tax

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(Rs. in crore)

S.No.	Particulars	For the Year ended	
		As at 31st March 2023	As at 31st March 2022
<b>1</b>	<b>Profit and Loss Section</b>		
	Current income tax :		
	Current income tax charge	8.41	3.62
	Adjustment in respect of current tax of previous year	-0.11	4.78
	Deferred tax :		
	Relating to origination and reversal of temporary differences	-	-
		-6.50	-0.35
	<b>Income tax expense reported in the Profit and Loss section</b>	<b>1.80</b>	<b>8.05</b>
<b>2</b>	<b>Other Comprehensive Income (OCI) Section</b>		
	Income tax related to items recognised in OCI during the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	0.01	-
	Net loss/(gain) on foreign operation translation	-	-
	<b>Income tax expense reported in the OCI section</b>	<b>0.01</b>	<b>-</b>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

(Rs. in crore)

S.No.	Particulars	For the Year ended	
		As at 31st March 2023	As at 31st March 2022
1	Accounting profit before income tax	7.13	13.35
2	Corporate tax rate as per Income tax Act, 1961	29.12%	29.12%
3	Tax on Accounting profit (3) = (1) * (2)	2.08	3.89
4	Effect of Tax Adjustments:		
(i)	Adjustments in respect of current income tax of previous years	-	-
(ii)	Utilisation of previously unrecognised tax losses	-0.11	4.78
(iii)	Impact of Rate Difference	-	-
(iv)	Tax on Income exempt from tax	-	-
(v)	Non-deductible expenses for tax purposes:		
	-Other country additional tax	-	-
	-Other non-deductible expenses	-	-
(vi)	Tax effect of various other items	-0.16	-0.62
5	<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>1.81</b>	<b>8.05</b>
6	Effective Tax Rate		

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

(Rs. in crore)

S.No.	Particulars	Balance sheet		Statement of profit or loss	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	8.76	9.02	(0.26)	(0.31)
2	Provisions	-8.29	(0.56)	(7.73)	(0.23)
3	Items disallowed u/s 43B of Income Tax Act, 1961			-	-
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis			-	-
5	Fair valuation of financial instruments			-	-
6	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds			-	-
7	Deferred tax Assets on One Time Downpayment of MFC	(2.65)	(4.13)	1.48	0.19
	<b>Net (deferred tax assets)/liabilities</b>	<b>-2.18</b>	<b>4.33</b>	<b>(6.51)</b>	<b>(0.35)</b>

(d) Reflected in the balance sheet as follows:

(Rs. in crore)

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
1	Deferred tax assets	(10.94)	(4.69)
2	Deferred tax liability	8.76	9.02
	<b>(Deferred Tax Asset)/Liabilities (Net)</b>	<b>-2.18</b>	<b>4.33</b>

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:

(Rs. in crore)

As at 31st March 2023					
S.No.	Particulars	Net balance As at 1st April 2022	Recognised in statement of profit and loss	Recognised in OCI	Net Balance As at 31st March 2023
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	9.02	-0.26	-	8.76
2	Provisions	(0.56)	(7.72)	-0.01	(8.29)
3	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
5	Fair valuation of financial instruments	-	-	-	-
6	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
7	Deferred tax Assets on One Time Downpayment of MFC	(4.13)	1.48	-	(2.65)
	<b>Net deferred tax assets/(liabilities)</b>	<b>4.33</b>	<b>-6.50</b>	<b>-0.01</b>	<b>-2.18</b>

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

(Rs. in crore)

As at 31st March 2022					
S.No.	Particulars	Net balance As at 1st April 2021	Recognised in statement of profit and loss	Recognised in OCI	Net balance As at 31st March 2022
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	9.33	-0.31	-	9.02
2	Provisions	(0.33)	(0.23)	-	(0.56)
3	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
5	Fair valuation of financial instruments	-	-	-	-
6	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
7	Deferred tax Assets on One Time Downpayment of MFC	(4.32)	0.19	-	(4.13)
	<b>Net deferred tax assets/(liabilities)</b>	<b>4.68</b>	<b>-0.35</b>	<b>-</b>	<b>4.33</b>



**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**

**Notes forming part of the financial statements for the year ended 31st March 2023**

**8 Current Assets**

**Inventories**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Raw Material (valued at cost or NRV whichever is lower unless otherwise specified)		
Material and stores		
- In Hand	5.40	4.32
- With Third Parties	-	-
- In Transit	-	-
<b>Total</b>	<b>5.40</b>	<b>4.32</b>

**9 Financial Assets**

**9.1 Trade Receivables**

(Rs. in crore)		
Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good: UnSecured</b>		
Trade receivables <sup>1</sup>	78.61	90.68
<b>Total</b>	<b>78.61</b>	<b>90.68</b>

**<sup>1</sup>Break-up for Trade Receivables**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Secured, considered good</b>	12.49	-
<b>Unsecured, considered good</b>		
<b>(a) From Related Party -</b>		
<b>Iron International Limited<sup>2</sup></b>	<b>3.75</b>	0.19
(b) From Others <sup>3</sup>	62.37	90.49
<b>Trade Receivables which have significant increase in credit risk</b>	3.96	-
<b>Trade Receivables - credit impaired</b>	24.13	-
	106.70	90.68
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>	-	-
Unsecured, considered good <sup>4</sup>	-	-
Trade Receivables which have significant increase in credit Risk	-3.96	-
Trade Receivables - credit impaired <sup>4</sup>	-24.13	-
	-	-
<b>Total Trade Receivables</b>	<b>78.61</b>	<b>90.68</b>

<sup>1</sup>Trade Receivable stated above do not include debts due by directors, other officers of the company, firm in which Director is a partner or private company in which director is a member except as stated below:

<sup>2</sup>Refer Note No 35(d)

<sup>3</sup>Other Trade Receivable includes receivables to the tune of Rs. 1.99 cr & Rs 24.13 cr (credit impaired) which are under dispute.

<sup>4</sup>Impairment Allowance includes provision of Rs 24.13 crore w.r.t. receivable related to Multifunctional Complexes which were terminated, and for remaining receivables company has calculated ECL under IndAS 109 and recognized ECL for Rs 3.91 crore.

**Trade Receivables Ageing schedule-**

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good			42.08	9.87	11.22	6.03	7.42	76.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk			0.27	0.31	0.85	0.83	1.70	3.96
(iii) Undisputed Trade Receivables – credit impaired							-	-
(iv) Disputed Trade Receivables considered good							1.99	1.99
(v) Disputed Trade Receivables - which have significant increase in credit risk							-	-
(vi) Disputed Trade Receivables – credit impaired			3.47	2.91	6.12	3.84	7.79	24.13
<b>Total</b>			<b>45.82</b>	<b>13.09</b>	<b>18.19</b>	<b>10.70</b>	<b>18.90</b>	<b>106.70</b>

**Trade Receivables Ageing schedule-**

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good			21.65	8.08	18.04	19.69	21.23	88.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired							-	-
(iv) Disputed Trade Receivables considered good							1.99	1.99
(v) Disputed Trade Receivables - which have significant increase in credit risk							-	-
(vi) Disputed Trade Receivables – credit impaired							-	-
<b>Total</b>			<b>21.65</b>	<b>8.08</b>	<b>18.04</b>	<b>19.69</b>	<b>23.22</b>	<b>90.68</b>

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**Financial Assets Continued.....**

**9.2 Cash and Cash equivalents**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Cash on hand	-	0.04
<i>Balances with banks:</i>	-	-
– On current accounts <sup>1</sup>	0.90	2.50
– Flexi Accounts <sup>1</sup>	30.20	36.80
<b>Total</b>	<b>31.10</b>	<b>39.34</b>

<sup>1</sup>Out of Rs. 31.10 cr, Rs. 19.23 cr is funds received from client as on 31st March 2023 (31st March 2022 Out of Rs. 39.34 cr, Rs. 32.57 cr is funds received from client) on which interest is passed on to them.

**9.3 Other Bank Balances**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Other Bank Balances</b>		
– Deposits with original maturity of more than 3 months but less than 12 months <sup>1</sup>	105.30	95.21
<b>Total</b>	<b>105.30</b>	<b>95.21</b>

<sup>1</sup>Out of Rs. 105.30 cr, Rs. 58.30 crores are client fund as on 31st March 2023 (31st March 2022 Out of Rs. 95.21 cr, Rs. 56.21 crores are client fund) on which interest is passed on to them.

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**Financial Assets Continued.....**

**9.4 Loans**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b><u>Considered Good: Unsecured</u></b>		
<b>Staff Loan<sup>1</sup></b>		
A.Considered Good: Secured,	0.02	0.02
<b>Total</b>	<b>0.02</b>	<b>0.02</b>

<sup>1</sup>Loans and Advances stated above do not include debts due by officers of the company, firm in which director is a partner or private company in which director is a member.

**9.5 Other Financial Assets**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Considered Good: UnSecured</b>		
Fixed deposits having remaining maturity of less than 12 months) <sup>2</sup>	0.01	-
Fixed deposits having remaining maturity of less than 12 months (Bank Guarantee) <sup>3</sup>	-	0.27
Security deposits		
- With Statutory Departments -	-	0.02
- With Others	0.03	0.03
Interest Accrued on FDR's with Bank	3.52	2.58
Earnest Money Deposit	0.20	0.20
Amount Recoverables from others	2.99	0.17
- Billable Revenue	13.84	1.49
- Retention Money with client	1.84	1.10
- Money Withheld by Client	6.54	0.20
<b>Total</b>	<b>28.97</b>	<b>6.06</b>

<sup>2</sup>Rs. 0.01 crore as on 31st March 2023 represents fixed deposits placed with Statutory Authorities (Rs. Nil crore as on 31st March 2022)

<sup>3</sup>Rs. Nil crore as on 31st March 2023 (Rs. 0.27 crore as on 31st March 2022 represents fixed deposit placed against Bank Guarantee issued to Haryana vishwakarma Skill University)

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**10 Current Tax Assets (Net)**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Provision of income tax (Net of advance tax & TDS)	-	0.97
<b>Total</b>	<b>-</b>	<b>0.97</b>

**11 Other Current Assets**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Advances Other than Capital advances</b>		
Advance to Contractor	6.04	6.94
Interest Accrued on Advance to Contractor	-	0.41
<b>Others</b>		
Prepaid Expense	-	0.02
Imprest to Staff	-	0.01
GST Input tax Net	14.35	16.60
<b>Total</b>	<b>20.39</b>	<b>23.98</b>

**12 Asset Held For Sale**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>31st March 2022</b>
Assets held for disposal <sup>1</sup>	0.70	1.12
	<b>0.70</b>	<b>1.12</b>

<sup>1</sup>Refer Note 36

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
Notes forming part of the financial statements for the year ended 31st March 2023

13 Equity Share capital

Particulars	(Rs. in crore)	
	As at 31st March 2023	As at 31st March 2022
<b>Authorized share capital</b>		
6,50,00,000 Equity shares of Rs.10 each-fully paid (as at 31.03.2022 6,50,00,000 Equity shares of Rs.10 each)	65.00	65.00
	65.00	65.00
<b>Issued/Subscribed and Paid up Capital</b>		
6,50,00,000 Equity shares of Rs.10 each-fully paid (as at 31.03.2022 6,50,00,000 Equity shares of Rs.10 each)	65.00	65.00
	65.00	65.00

**Details of shareholders holding more than 5% in the company**

Name of the shareholder	(In Numbers)			
	As at 31st March 2023		As at 31st March 2022	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Iron International Limited- Holding Company & 7 nominees	65,000,000.00	100.00	65,000,000.00	100.00
<b>Total</b>	<b>65,000,000.00</b>	<b>100.00</b>	<b>65,000,000.00</b>	<b>100.00</b>

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

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
	No in ....	No in ....	No in ....	No in ....	No in ....
	Equity shares allotted other than cash	-	-	-	-
Equity shares issue as bonus	-	-	-	-	-
Total	-	-	-	-	-

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	No of shares	Rs in crore	No of shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	65,000,000.00	65.00	65,000,000.00	65.00
Add: Changes due to Prior Period Errors	-	-	-	-
Restated Balance at the beginning of the year	65,000,000.00	65.00	65,000,000.00	65.00
Add: Shares Issued during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	<b>65,000,000.00</b>	<b>65.00</b>	<b>65,000,000.00</b>	<b>65.00</b>

**NOTE:**

**Terms / Rights attached to Equity Shares :**

**(i) Voting**

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

**(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

**Details of Promoter's Shareholding are as follows:-**

Particulars	Shares held by Promoter at the end of the period / year				% change during the period / year
	S.No	Promoter Name*	No. of shares	% of total shares	
As at March 31, 2023	1	Iron International Limited and 7 nominees	65,000,000	100.00%	-
					-
					-

  

Particulars	Shares held by Promoter at the end of the period / year				% change during the period / year
	S.No	Promoter Name*	No. of shares	% of total shares	
As at March 31, 2022	1	Iron International Limited and 7 nominees	65,000,000	100.00%	-
					-
					-

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**14 Other Equity**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Retained Earnings	16.37	11.05
General Reserve	88.89	88.89
Share Application Money Pending for Allotment		
<b>Total</b>	<b>105.26</b>	<b>99.94</b>

**14.1 Retained Earnings**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Opening Balance	11.05	5.75
Add: Profit transferred from Statement of Profit & Loss	5.33	5.30
Add: Other comprehensive income arising from remeasurement of defined benefit obligation	-0.01	-
Less: Transfer to General reserve		-
<b>Closing Balance</b>	<b>16.37</b>	<b>11.05</b>

The company has not declared any dividend during the year.

**14.2 General Reserve**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Opening Balance	88.89	88.89
Add: Transferred from Statement of Profit & Loss	-	-
<b>Closing Balance</b>	<b>88.89</b>	<b>88.89</b>

**Nature & Purpose of Other Reserves**

**(a) Retained Earnings**

Retained Earnings represents the undistributed profits of the

**(b) General Reserve**

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**15 Non - Current Liabilities**

**15.1 Other Financial Liability**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Considered good-Unsecured,</b> Retention Money	27.92	16.62
<b>Total</b>	<b>27.92</b>	<b>16.62</b>



**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**Non - Current Liabilities Continued.....**

**16 Provisions**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Provisions for employee benefits:</b>		
i) Gratuity <sup>1</sup>	0.08	0.05
ii) Leave Salary	0.15	0.11
<b>Total</b>	<b>0.23</b>	<b>0.16</b>

<sup>1</sup>Refer Note 33(i)

**17 Other Non-Current Liability**

	<b>(Rs. in crore)</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Other Payables	0.01	-
Upfront Amount from Sub - leasing of MFCs	17.70	31.17
<b>Total</b>	<b>17.71</b>	<b>31.17</b>

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
Notes forming part of the financial statements for the year ended 31st March 2023

**Current Liabilities**

**18 Financial Liabilities**

**18 Trade Payables**

Particulars	(Rs. in crore)	
	As at 31st March 2023	As at 31st March 2022
(A) Micro, Small & Medium Enterprises <sup>1</sup>	2.86	1.89
(B) Other than Micro, Small & Medium Enterprises		
(a) Contractor & Suppliers	16.03	12.11
(b) Related Parties <sup>2</sup>		
Ircon International Limited	0.07	1.53
<b>Total</b>	<b>18.96</b>	<b>15.53</b>

<sup>1</sup>Refer Note 40 & <sup>2</sup>Refer Note 35(d)

**Trade Payables Ageing Schedule-**

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
			Total outstanding dues of micro enterprises and small enterprises			2.86	
Total outstanding dues of creditors other than micro enterprises and small enterprises			10.95	5.12	0.03		16.10
Disputed dues of micro enterprises and small enterprises							
Disputed dues of creditors other than micro enterprises and small enterprises							
<b>Total</b>			<b>13.81</b>	<b>5.12</b>	<b>0.03</b>	<b>-</b>	<b>18.96</b>

**Trade Payables Ageing Schedule-**

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
			Total outstanding dues of micro enterprises and small enterprises			1.89	
Total outstanding dues of creditors other than micro enterprises and small enterprises			11.88	1.53	0.01	0.22	13.64
Disputed dues of micro enterprises and small enterprises							
Disputed dues of creditors other than micro enterprises and small enterprises							
<b>Total</b>			<b>13.77</b>	<b>1.53</b>	<b>0.01</b>	<b>0.22</b>	<b>15.53</b>

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**18.2 Other Financial Liabilities**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b><u>Other payables</u></b>		
Staff Payable	0.17	0.46
Deposits, Retention money	15.19	11.39
<b><u>Others</u></b>		
Other Expenses-Provisions	24.80	2.30
	-	-
<b><u>Other Payable- Ircon International Limited</u></b>		
Interest Payable on Loan	-	-
- Towards Reimbursement of remuneration of staff, other exp , etc	3.87	3.06
- Towards Payment of rent	-	-
<b>Total</b>	<b>44.03</b>	<b>17.21</b>

**19 Other Current Liabilities**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b><u>Others</u></b>		
Statutory dues:	2.37	2.18
Upfront Amount from Sub - leasing of MFCs	0.87	1.39
<b><u>Contract Liability:</u></b>		
Advance from Customers	86.95	103.47
<b>Total</b>	<b>90.19</b>	<b>107.04</b>

**20 Provisions**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b><u>Provisions for employee benefits:</u></b>		
i) Gratuity	-	-
ii) Leave Salary	0.05	-
iii) PRP	0.10	0.06
<b>Total</b>	<b>0.15</b>	<b>0.06</b>

**21 Current Tax Liability**

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Provision of income tax (Net of advance tax & TDS)	3.21	-
Tax Liability of previous year	3.81	4.47
<b>Total</b>	<b>7.02</b>	<b>4.47</b>

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**22 Revenue from operations**

	(Rs. in crore)	
Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
<b>Revenue from Contracts with Customers</b>		
<u>(A) Project Management Consultancy</u>		
From PMC projects	165.23	141.92
Others	-	0.07
- Related Party		
Sub- Total	165.23	141.99
<u>(B) Lease Rentals from Sub-Leasing of MFCs</u>		
- <sup>1</sup> Others	27.87	14.34
- Related Party		
Sub- Total	27.87	14.34
<u>(C) Maintenance of track</u>		
Others	18.96	11.91
Related Party	-	-
Sub- Total	18.96	11.91
<u>(D) Other operating Revenues</u>		
<u>Sale of Services</u>		
Supply of Manpower		
- Others	-	-
- Related Party	1.36	0.77
Sub- Total	1.36	0.77
<u>Leasing of Plant &amp; Machinery</u>		
- Others	-	-
- Related Party	5.49	1.84
Sub- Total	5.49	1.84
<b>Total</b>	<b>218.91</b>	<b>170.84</b>

<sup>1</sup>Refer Note 39 & 45

**23 Other Income**

	(Rs. in crore)	
Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Bank Interest Gross	5.93	4.07
Less: Bank Interest Passed to Clients	-3.38	2.55
Interest on other Advances/Claims	0.22	0.43
Less: Interest Passed to Clients	-0.22	-0.43
Interest on staff advances	-	0.01
Interest on Receivables & Advances	1.15	4.18
Interest on Refund of Income Tax	0.07	-
Profit on Sale of Asset	-	-
Exchange Fluctuation gain(Net)	0.02	0.20
Other non- operating income	-	-
- from Others	0.15	0.15
- from Related Party (Ircon International Limited)	-	-
<b>Total</b>	<b>3.94</b>	<b>7.05</b>

**24 Materials & Stores Consumed-**

(Rs. in crore)

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022	
Opening Balance	4.05	3.03	
Add: Purchases during the year	1.12	1.06	
	5.17	4.09	
Less: Closing Balance	-4.97	-4.05	0.04
<b>Total</b>	0.20	0.04	

**25 Operating Expenses-**

(Rs. in crore)

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Cost of Operations	166.66	146.32
Provision on Doubtful Debts	28.10	-
<b>Total</b>	194.76	146.32

**i) Break-up of Cost of Operations**

(Rs. in crore)

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Work Expenses-Consultancy works	8.59	0.46
<sup>1</sup> Work Expenses-Leasing of MFCs	6.17	5.74
Work Expenses-CERL track maintenance	7.36	4.11
Work Expenses-Supply of Manpower	0.99	0.53
Work Expenses-Track Machine	0.06	0.42
Works Expenses for other Projects	143.49	135.06
<b>Total</b>	166.66	146.32

<sup>1</sup>Refer Note 45

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**26 Employee Benefit Expenses**

(Rs. in crore)		
Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Salaries & Wages	10.87	10.47
Contribution to provident and other funds	0.93	0.88
Staff Welfare expenses	0.04	-
<b>Total</b>	<b>11.84</b>	<b>11.35</b>

**27 Finance Cost**

(Rs. in crore)		
Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Interest Expenses		
<b>Total</b>	<b>-</b>	<b>-</b>

**28 Depreciation, amortization and impairment**

(Rs. in crore)		
Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Property, Plant and equipment	1.97	0.59
Intangible Assets	2.15	2.15
Impairment of Assets	0.42	0.75
<b>Total</b>	<b>4.54</b>	<b>3.49</b>

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**29 Other Expenses**

<b>(Rs. in crore)</b>		
<b>Particulars</b>	<b>For the period ended 31st March 2023</b>	<b>For the period ended 31st March 2022</b>
Rates and Taxes	0.03	-
Travelling & conveyance	0.37	0.31
Printing & stationery	0.07	0.08
Postage, telephone & telex	0.03	0.03
Legal & Professional charges	0.89	0.39
Loss on Sale of Fixed Assets <sup>1</sup>	-	-
Business promotion	0.02	0.02
Rent	0.91	0.97
Vehicle operation & Maintenance	0.63	0.44
Auditors remuneration ( Refer Points (i) for detail)	0.03	0.03
Advertisement & publicity	0.08	0.03
Power, Electricity & Water Charges	0.16	0.17
Miscellaneous expenses	0.20	0.30
Interest on Late Payment of Statutory dues	0.02	0.01
Fee & subscription charges	-	0.05
Repair & Maintenance	0.52	0.31
Bank and other Financial Charges	0.02	0.04
CSR <sup>2</sup>	0.40	0.16
<b>Total</b>	<b>4.38</b>	<b>3.34</b>

<sup>1</sup>Loss on sale of fixed asset for Current Year is Rs.0.004 Crore ( Previous Year Rs. 0.004 Crore)

<sup>2</sup>Refer Note 42

**(i) Payment to Statutory Auditors:**

<b>(Rs. in crore)</b>		
<b>Particulars</b>	<b>For the period ended 31st March 2023</b>	<b>For the period ended 31st March 2022</b>
(I) Audit Fee - current year	0.01	0.02
(ii) Tax Audit Fees - current year <sup>2</sup>	-	-
(iii) Limited Review Fees <sup>2</sup>	0.01	0.01
(iii) Travelling & out of pocket expenses: <sup>2</sup>	-	-
- Local	-	-
<b>Total</b>	<b>0.02</b>	<b>0.03</b>

<sup>2</sup>includes the Tax Audit Fees, Limited Review Fees and Travelling & Out of pocket expenses of Rs 0.003 crore, 0.005 crore and 0.004 crore respectively. ( Previous Year Rs. 0.003 Crore, 0.008 crore, 0.002 crore)

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**30 Components of Other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below

<b>Particulars</b>	<b>(Rs. in crore)</b>	
	<b>For the period ended 31st March 2023</b>	<b>For the period ended 31st March 2022</b>
Remeasurements of defined benefit plans <sup>1</sup>	-0.02	-
Tax component of remeasurements of defined benefit obligation	0.01	-
<b>Total</b>	<b>-0.01</b>	<b>-</b>

<sup>1</sup>Defined benefit plan for Current Year Rs. 0.0027 Crores (Previous year Rs. 0.0006) and tax component on same is Rs 0.0007 Crores (Rs, 0.0002 Crores) respectively.



**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March 2023**

**31 Earnings Per Share**

Disclosure as per Ind AS 33 'Earnings per share'

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

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

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

Particulars	Note	For the period ended 31st March 2023	For the period ended 31st March 2022
Profit attributable to Equity holders (Rs.in crore)	(ii)	5.33	5.30
Weighted average number of equity shares for Basic and Diluted EPS	(iii)	65,000,000	65,000,000
Earnings per share (Basic)		0.82	0.82
Earnings per share (Diluted)		0.82	0.82
Face value per share			

**(ii) Profit attributable to equity shareholders (used as numerator) (Rs.crore)**

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Profit for the year as per Statement of Profit and Loss	5.33	5.30
Profit attributable to Equity holders of the company used for computing EPS:	<b>5.33</b>	<b>5.30</b>

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

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Opening balance of issued equity shares	65,000,000	65,000,000
Equity shares issued during the year		
<b>Weighted average number of equity shares for computing Basic EPS</b>	<b>65,000,000</b>	<b>65,000,000</b>
<b>Dilution Effect:</b>		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
<b>Weighted average number of equity shares for computing Diluted EPS</b>	<b>65,000,000</b>	<b>65,000,000</b>

**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note: 32 Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"**

During the year the Company has changed the accounting policy related to "Property Plant and Equipment (PPE)". There is no impact on the profitability of the Company, and the revised accounting policy is as below and amendments are highlighted in Bold.

Depreciation on property, plant and equipment, excluding freehold land and leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013. However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts.

**NOTE 33 Employee Benefits**

**Disclosures in compliance with Ind AS 19 "Employee Benefits" are as under:**

**(i) Gratuity**

Gratuity is payable on separation (i.e. due to superannuation, retirement, resignation, physical incapacitation or death) @15 days pay for each completed year of service to eligible employee, who rendered continuous service of 5 year or more.

Provision as on 31st March 2023 in respect of Gratuity for Regular employees and contract employees who rendered service more than 5 years of the Company as per actuarial valuation IndAS-19 is **Rs 0.08 Crores** (FY 2021-22 Rs 0.05 Crores)

**i) Changes in Benefit Obligation**

**(Rs in Crores)**

Particulars	Gratuity	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Present Value of obligation at the beginning of the period</b>	<b>0.05</b>	0.04
Acquisition Adjustment	-	-
Interest cost	0.00	0.00
service cost	0.01	0.01
Past Service Cost Including curtailment Gain /Losses	-	-
Benefits paid	(0.01)	-
Total Actuarial (gain) / loss on obligations	0.02	(0.00)
<b>Present Value of obligation at the end of the period</b>	<b>0.08</b>	0.05

**ii) Changes in Plan assets**

**(Rs in Crores)**

Particulars	Gratuity	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Fair value of plan assets at the beginning of the period	-	-
Actual return on plan assets	-	-
Employer Contribution	-	-
Benefits paid	-	-
Actual Return on plan asset	-	-
<b>Fair value of plan assets at the end of the period</b>	<b>-</b>	<b>-</b>

**iii) Balance Sheet and Related analysis :**

**(Rs in Crores)**

Particulars	Gratuity	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Present Value of the obligation at end	0.08	0.05
Fair value of plan assets	-	-
Unfunded Liability/provision in Balance Sheet	(0.08)	(0.05)

iv) Amount recognised in Income Statement

(Rs in Crores)

Particulars	Gratuity	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Total Service cost	0.01	0.01
Net interest Cost	0.00	0.00
<b>Expense recognised in the Income Statement</b>	<b>0.02</b>	<b>0.01</b>

v) Other Comprehensive Income:

(Rs in Crores)

Particulars	Gratuity	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(0.02)	0.00
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) for the year	(0.02)	0.00

vi) Major categories of plan assets (as percentage of total plan assets) : All figures given in the table below are as provided by the company:

(Rs in Crores)

Particulars	Gratuity	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Funds Managed by Insurer	-	-
Bank Balance	-	-
Total	-	-

vii) (a) Economics Assumptions :

The Principal assumptions are the discount rate & salary growth rate .The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities . salary growth rate is company's long term estimate as to salary increases & takes account of inflation, seniority, promotion, business plan , HR policy and other relevant factors on long term basis as provided in relevant accounting standard .

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Discount rate	7.36%	7.22%
Future salary increase	Regular- 8.00 % Contractual- 7.00 %	8.00%

vii) (b) Demographic Assumptions

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry , retention policy, demand & supply in employment market, standing of the company , business plan, HR policy etc as provided in the relevant accounting standard.

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability**	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

**viii) Sensitivity Analysis of the defined benefit obligation:**

(Rs in Crores)

Gratuity Plan impact on DBO as on 31-03-2023	
<b>a) Impact of the change in discount rate</b>	
Present value of obligation at the end of period	<b>0.08</b>
Impact due to increase of 0.50%	(0.01)
Impact due to decrease of 0.50 %	0.01
<b>b) Impact of the change in salary increase</b>	
Present value of obligation at the end of period	<b>0.08</b>
Impact due to increase of 0.50%	0.00
Impact due to decrease of 0.50 %	(0.00)
Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable	

**ix) Expected contribution for next annual reporting period**

(Rs in Crores)

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
Service Cost	0.01	0.01
Net Interest Cost	0.01	0.00
Expected Expense for the next annual reporting period	0.02	0.01

The expected contribution to the defined benefit plan for next annual reporting period is Rs. 1.88 lakhs

**x) Maturity Profile of Defined Benefit Obligation**

(Rs in Crores)

Year	Amount
0 to 1 Year	0.00
1 to 2 Year	0.00
2 to 3 Year	0.00
3 to 4 Year	0.00
4 to 5 Year	0.00
5 to 6 Year	0.00
6 Year onwards	0.07

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

**Salary Increases**

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

**Investment risk**

If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

**Discount Rate**

Reduction in discount rate in subsequent valuations can increase the plan's liability.

**Mortality & disability**

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

**Withdrawals**

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability

(ii)

**Earned Leave**

In respect of encashment of leave, rules of Ircon International Limited (Holding Company) have been adopted, therefore provision for leave encashment for regular employees of the company has been provided in the books on accrual basis. Provision as on 31st March 2023 in respect of Leave Encashment for Regular employees and Contract employees of the foreign project of the Company as per actuarial valuation Ind AS-19 is **Rs 0.20 Crores** (FY 2021-22 Rs 0.11 Crores)

Company also have certain employees on Short term contract basis for various projects. As per contract of Appointment, the Contract Employees posted in Foreign Project are entitled for the Leave salary only and no other retirement benefits is payable to them. Accordingly, Provision of Leave Salary has been provided in the books of accounts.

Some officials working for Ircon Infrastructure & Services limited are posted on deputation basis and are on the rolls of Ircon International Limited (Holding Company). Their P.F contribution, gratuity, leave encashment & other retirement benefits have been accounted for on the basis of advices received from Holding Company. The provision for Gratuity & other Retirement Benefits of employees on deputation in terms of Ind AS-19 is being made by its Holding company.

(Rs in Crores)

<b>i) Change in Net Defined Benefit Obligation</b>	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March, 2022</b>
Present Value of Obligation as at the beginning of the period	0.06	0.04
Acquisition adjustment	-	-
Interest Cost	0.00	0.00
Service Cost	0.02	0.01
Past Service Cost including curtailment Gains/Losses	-	-
Benefits paid	(0.01)	-
Total Actuarial (Gain)/Loss on obligation	0.07	0.01
Present Value of Obligation as at the end of the period	0.15	0.06

**ii) Change in plan assets**

(Rs in Crores)

	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March, 2022</b>
Fair value of plan assets at the beginning of the period	-	--
Actual return on plan assets	-	--
Employer contribution	-	--
Benefits paid	-	--
Fair value of plan assets at the end of the period	-	--

**iii) Balance Sheet and related analysis**

(Rs in Crores)

	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March, 2022</b>
Present Value of the obligation at end	0.15	0.06
Fair value of plan assets	-	-
Unfunded Liability/provision in Balance Sheet	(0.15)	(0.06)

**iv) Amount recognised in Income Statement (Rs in Crores)**

	For the year ended 31st March 2023	For the year ended 31st March, 2022
Total Service Cost	0.02	0.01
Net Interest Cost	0.00	0.00
Net actuarial (gain) / loss recognized in the period	0.07	0.01
Expense recognized in the Income Statement	0.10	0.02

**v) Major categories of plan assets (as percentage of total plan assets) : All figures given in the table below are as provided by the company:**

(Rs in Crores)

	For the year ended 31st March 2023	For the year ended 31st March, 2022
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Special Deposit Scheme	-	-
Funds Managed by Insurer	-	-
Bank Balance	-	-
<b>Total</b>	-	-

**vi) (a) Economics Assumptions :**

The Principal assumptions are the discount rate & salary growth rate .The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities . salary growth rate is company's long term estimate as to salary increases & takes account of inflation, seniority, promotion, business plan , HR policy and other relevant factors on long term basis as provided in relevant accounting standard .

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
Discount rate	7.36%	7.22%
Future salary increase	Regular -8.00 % Contractual-7.00 %	8.00%

**vi) (b) Demographic Assumptions**

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry , retention policy, demand & supply in employment market, standing of the company , business plan, HR policy etc as provided in the relevant accounting standard. leave availment/encashment/lapse rates are entity's best estimate for future based on past historical experience & its HR Policy

Particulars	For the year ended 31st March 2023	For the year ended 31st March, 2022
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
iv) Leave		
Leave Availment Rate	2.50%	2.50%
Leave Lapse rate while in service	Nil	Nil
Leave Lapse rate on exit	Nil	Nil
Leave encashment Rate while in service	Nil	Nil

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

**vii) Sensitivity Analysis of the defined benefit obligation: (Rs in Crores)**

<b>a) Impact of the change in discount rate</b>	
<b>Present Value of Obligation at the end of the period</b>	<b>0.15</b>
a) Impact due to increase of 0.50%	(0.00)
b) Impact due to decrease of 0.50%	0.03
<b>b) Impact of the change in salary increase</b>	
<b>Present Value of Obligation at the end of the period</b>	<b>0.15</b>
a) Impact due to increase of 0.50%	0.03
b) Impact due to decrease of 0.50%	(0.00)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**viii) Expected contribution for next annual reporting period (Rs in Crores)**

	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March, 2022</b>
Service Cost	0.03	0.01
Net Interest Cost	0.01	0.00
Expected Expense for the next annual reporting period	0.04	0.01

**ix) Maturity Profile of Defined Benefit Obligation (Rs in Crores)**

<b>Year</b>	<b>Amount</b>
0 to 1 Year	0.00
1 to 2 Year	0.00
2 to 3 Year	0.00
3 to 4 Year	0.00
4 to 5 Year	0.00
5 to 6 Year	0.00
6 Year onwards	0.13

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

**Salary Increases**

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

**Investment risk**

If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

**Discount Rate**

Reduction in discount rate in subsequent valuations can increase the plan's liability.

**Mortality & disability**

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

**Withdrawals**

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability

**(iii)****Pension**

In respect of Pension payable to regular employees of IrconISL, Policy of Ircon International Limited (Holding Company) has been Adopted and accordingly Contribution in NPS Scheme of Pension is being made and deposited on regular basis to the approved recognized fund.

**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note: 34 (a) Foreign exchange recognised in the Statement of Profit and Loss:**

**(Rs. in crore)**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit or Loss	0.02	0.20
Other Comprehensive Income <sup>1</sup>	(0.01)	0.00
<b>Total</b>	<b>0.01</b>	<b>0.20</b>

<sup>1</sup>Defined benefit plan for Current Year Rs. 0.01 Crores (Previous year Rs. 0.0019 Crores) respectively.

**(b) Earnings in foreign currency (on accrual basis):**

**(Rs. in crore)**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Work Receipts	2.54	0.70
Bank Interest	-	-
Other Interest	-	-
Foreign Exchange Fluctuation Gain (Net)	0.02	0.20
Others	-	-
<b>Total</b>	<b>2.56</b>	<b>0.90</b>

**(c) Expenditure in foreign currency (on accrual basis):**

**(Rs. in crore)**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Operational Expenses	0.99	0.51
Consultancy charges	-	-
Foreign Exchange Fluctuation Loss (Net)	-	-
<sup>1</sup> Administrative and Other Expenses	-	1.74
<b>Total</b>	<b>0.99</b>	<b>2.25</b>

<sup>1</sup>Administrative Expenses Include Myanmar Project Expense which has been incurred in Local Currency (Kyats) however Payment has been received in INR from client i.e. (Ministry of External Affairs (MEA) pertaining to the F Y 2021-22

**(d) CIF value of Imports:**

**(Rs. in crore)**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Materials	-	-
Consumables, Components and Spares	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**(e) Material & store consumed:**

**(Rs. in crore)**

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
	Amount	%age	Amount	%age
Imported				
Indigenous				
<b>Total</b>	-	-	-	-



**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note: 35 Related Party Transactions**

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

**a) List of Related Parties**

The entire Equity Share Capital of the Company is held by Ircon International Limited, Holding company.

**b) Relation and name of the related parties are:**

Relation and name of the related parties are:		Name of the Related Party
i. Holding Company		Ircon International Limited
ii. Key Management personnel:	Directors:	Sh Yogesh Kumar Misra (Chairman) ( 01.10.2021 to 09.10.2022 ) and Sh Parag Verma (Chairman) w.e.f on 10.10.2022
		Sh Abheejit Kumar Sinha (Director) w.e.f 01.04.2022
		Shri Surinder Kumar Singh (Director)
		Shri Rajeev Kumar Sinha (Director) w.e.f on 07.12.2022
	Others	Sh Ajay Pal Singh (CEO)
		Mrs Pooja Chaurasia (CFO) (01.04.2022 to 28.02.2023) and Mrs Preeti Shukla (CFO) w.e.f on 01.03.2023
Mrs Manisha Gola, Company Secretary (01.04.2022 to 25.05.2022 ) and Miss Swati Poddar , Company Secretary w.e.f (17.08.2022 to 13.03.2023)		

**c) Remuneration to Key management personnel are as under: (Rs In crores)**

S.No	Particulars	2022-23	2021-22
a)	Short-Term benefits	0.57	0.54
b)	Post-employment benefits*	0.06	0.05
c)	Other long-term benefits	0.15	0.12
	<b>Total</b>	<b>0.77</b>	<b>0.72</b>

The Directors of the Company are appointed /nominated by Holding Company and no remuneration is paid to them by the Company. Hence remuneration of Chief Executive Officer, Chief Financial Officer & Company Secretary has been shown above.

d)

Transactions with other related parties are as follows:

(Rs. in crore)

S.No.	Particulars	Transactions		Outstanding	
		For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>1</b>	<b>Remuneration to Key management personnel (b above)</b>	<b>as per Note 35 (c)</b>		<b>0.00</b>	0.00
<b>1.1</b>	Purchase of Goods & services from Holding Company	<b>0.90</b>	0.98	<b>-0.07</b>	-1.53
<b>1.2</b>	Revenue income from Holding company	<b>6.85</b>	2.61	<b>3.75</b>	0.19
<b>1.3</b>	Reimbursement of Expenses i.e. remuneration to staff as salary & Wages, PF contribution, travelling, etc.	<b>5.23</b>	3.33	<b>-3.87</b>	-3.06

**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note: 36 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 realisable value & carrying costs in terms of IndAS 36 "Impairment of Assets" notified under section 133 of the companies Act 2013 read with Rule III of the companies Indian Accounting Standards Rules,2015 and companies and Companies Amendment Rule 2016. Accordingly Impairment loss of Rs 0.42 Crores (Rs 0.75 for the Year 31st March 2022) have been provided for.

**Disclosure as per IndAS 105 (Rs in Crores)**

Particulars	As At 31 March 2023	
	Gross Block	Net Block
Asset held for Sale	1.12	0.70

Asset held for Sale has been impaired by Rs 0.40 crores based on technical Valuation in the FY 2022-23

**(Rs in Crores)**

Particulars	As At 31 March 2022	
	Gross Block	Net Block
Asset held for Sale	1.12	1.12

**Note: 37 Provisions, Contingencies**

**(i) Contingent Liabilities**

Disclosure of Contingent Liabilities as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

- a) Contingent liability against cases relating to Employees/Contractor's pending in the court amounts to Rs.2.55 crores (FY 2021-22 Rs. 2.93 crore). Amount of interest claimed on said liability is not ascertainable.

**(ii) Capital Commitment**

**(Rs in Crores)**

Particulars	31st March 2023	31st March 2022
Capital Commitment	-	-

**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note : 38 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:

(Rs. in crore)

Type of Product or Services	For the year ended March 31, 2023						Total as per Statement of Profit and Loss /Segment Reporting
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	
	Domestic	Foreign	Total	Input Method	Output Method		
Building	165.23	-	165.23	165.23		-	165.23
Road	-	-	-	-		-	-
Others	18.96	1.36	20.32	20.32		33.36	53.68
<b>Total</b>	<b>184.19</b>	<b>1.36</b>	<b>185.55</b>	<b>185.56</b>	<b>-</b>	<b>33.36</b>	<b>218.91</b>

Out of the total revenue recognised under Ind AS 115 during the year, Rs 185.56 crore is recognised over a period of time and Nil recognised point in time. (Refer Note 22)

(Rs. in crore)

Type of Product or Services	For the year ended March 31, 2022						Total as per Statement of Profit and Loss /Segment Reporting
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	
	Domestic	Foreign	Total	Input Method	Output Method		
Building	141.99	-	141.99	141.99		-	141.99
Roads	-	-	-	-		-	-
Others	11.91	0.77	12.68	12.68		16.17	28.85
<b>Total</b>	<b>153.90</b>	<b>0.77</b>	<b>154.67</b>	<b>154.67</b>	<b>-</b>	<b>16.17</b>	<b>170.84</b>

Out of the total revenue recognised under Ind AS 115 during the year, Rs 154.67 crore is recognised over a period of time and Nil is recognised point in time. (Refer Note 22)

**B. Contract balances**

(Rs. in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables (Note 9.1)	78.61	90.68
Contract Assets (Note 9.5 c)	22.22	2.79
Contract Liabilities (Note 19)	86.95	103.47

- (i) Trade receivables are non-interest bearing and the customer profile include Public Sector Enterprises, state govt ,State Owned Companies in India and abroad. The Company's average project execution cycle is around 15 to 24 months. General payment terms include mobilization 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, 2023	As at 31st March, 2022
Contract asset at the Beginning of the year	2.79	2.79
Contract asset at the end of the year	22.22	2.79
<b>Net increase/decrease</b>	<b>19.43</b>	<b>-</b>

For the year 2022-23, there has been a movement of **Rs. 19.43 cr** (FY 2021-22 Rs 0.00) cr in contract asset.

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

(Rs. in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract liabilities at the beginning of the year	103.47	85.59
Contract liabilities at the end of the year	86.95	103.47
<b>Net increase/(decrease)</b>	<b>(16.52)</b>	<b>17.88</b>

For the year 2022-23 and 2021-22 there has been net decrease of **(Rs.16.52)** crore and net increase of Rs. 17.88 crore respectively as compared to last year are mainly due to adjustment of advance payment received from client against works executed during the year.

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

**(Rs. in crore)**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Amount included in contract liabilities at the beginning of the year	103.47	85.59
Performance obligation satisfied in previous years	31.14	64.60

**D. Cost to obtain the contract**

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

Amount of amortisation recognised in the statement of profit and loss during the year is **Rs. Nil** (FY 2020-22 Rs. Nil)

**E. Performance obligation**

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

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

**(Rs. in crore)**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Within one year	<b>155</b>	<b>150</b>
More than one year to 2 years	<b>315</b>	<b>300</b>
More than 2 years		
<b>Total</b>	<b>470.00</b>	<b>450.00</b>

**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note : 39 Leases**

**a) Company as a Lessee**

The Company as a lessee has entered into various lease contracts, which includes lease of office space, guest house and vehicles. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

**Right of Use Assets**

The carrying amounts of right-of-use assets recognised and the movements during the year is NIL.

**Lease Liabilities**

The carrying amounts of lease liabilities recognised and the movements during the year is NIL

The expenses relating to short-term lease (Refer Note 29) FY is **Rs. 0.91 crores** ( Rs. 0.97 Crores).

**b) Company as a Lessor**

**Operating Leases for Multi-Functional Complexes:**

i) Company has sub leased 23 MFCs to the various sub lessees out of which, sub- lease agreement of 2 MFC's at Thiruvalla and Rajgir have been terminated and the leased assets of these MFC's are returned back to RLDA in the year 2019-20. Four MFC at Mysore, Kannur, Hyderabad and Bilaspur have been terminated during the FY 2022-23. Further in addition to above three MFC's namely MFC Indore, Madurai & Jodhpur were terminated on 01.05.2023

In case of MFC's which are terminated as on 31.03.2023 along with three MFC's which have been terminated on 01.05.2023 full provision against the receivable of MFCs have been taken for Rs.24.13 Cr in the books of account for the period ending 31.03.2023

For remaining MFCs and other debtors of the company a provision of doubtful debt is recognised to the tune of Rs. 3.96 Cr as per simplified approach of ECL methodology in books of account for the period ending 31.03.2023.

ii) Future minimum lease rental Payable / receivable under non- cancellable lease are as under:

Lease Rent	(Rs in Crores)		
	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
<b>Receivable</b>	<b>14.16</b> <b>(20.25)</b>	<b>77.98</b> <b>(117.39)</b>	<b>389.22</b> <b>(590.76)</b>
<b>Payable</b>	<b>Nil</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>

b. Disclosure of Depreciation/ Amortisation in respect of leased MFCs for the year:

Particulars of assets	(Rs in Crores)	
	2022-23	2021-22
Gross carrying amount of Assets	<b>96.77</b>	96.77
Accumulated Depreciation/ Amortization	<b>18.10</b>	15.95
Depreciation/ Amortisation for the year	<b>2.15</b>	2.15

For above MFC, company has received/receivable one-time down payment and monthly rental from the Sub- lessee. The total revenue recognize under lease for **FY is Rs. 27.87 Crores** (Rs. 14.34 Crores).

The one-time down payment received / receivable from sub-lessee are recognized as income in the statement of profit and loss on straight-line basis over the lease term on pro-rata basis.

**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note: 40 Information in respect of dues to Micro and Small Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)**

(Rs. in crore)

S.No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	2.86	1.89
	Principal amount due to micro and small enterprises	2.86	1.89
	Interest due on above	NIL	NIL
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	NIL	NIL

**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note : 41 Segment Reporting**

Disclosure as per Ind AS 108 " Operating Segment" is given as under:

Operating segments are define as components of an enterprise for which discreat financial information is available which is being evaluated regularly. Segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. The Company has determined reportable operating segment from gerographical prespective.

Two operating Segments based on Geographical location of the project viz. Domestic & International

(Rs. in crore)

Particulars	International		Domestic		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Segement Revenue</b>						
Revenue from external customers	2.54	0.70	216.37	170.14	218.91	170.84
Add : Company's share of turnover in integrated joint operations		-	-	-	-	-
<b>Total Operating Revenue</b>	<b>2.54</b>	<b>0.70</b>	<b>216.37</b>	<b>170.14</b>	<b>218.91</b>	<b>170.84</b>
Interest income		-	3.78	6.70	3.78	6.70
Other Income	0.02	0.20	0.14	0.15	0.16	0.35
Inter - segment		-		-	-	-
<b>Total Revenue</b>	<b>2.56</b>	<b>0.90</b>	<b>220.29</b>	<b>176.99</b>	<b>222.85</b>	<b>177.89</b>
<b>Segement Result</b>						
Profit before provision, depreciation, interest and exceptional item and tax	1.57	(1.34)	34.90	20.65	36.47	19.31
Less: Provisions and write back		-	24.80	2.47	24.80	2.47
Less: Depreciation, amortization	0.24	0.01	4.30	3.48	4.54	3.49
Less: Interest	-	0.00	-	-	-	0.00
<b>Profit before tax</b>	<b>1.33</b>	<b>(1.35)</b>	<b>5.80</b>	<b>14.70</b>	<b>7.13</b>	<b>13.35</b>
Less: Tax expense	0.39	(0.37)	1.41	8.42	1.80	8.05
<b>Profit after tax</b>	<b>0.94</b>	<b>(0.98)</b>	<b>4.39</b>	<b>6.28</b>	<b>5.33</b>	<b>5.30</b>
Less: Other comprehensive Income	-	-	0.01	-	0.01	-
<b>Profit after tax</b>	<b>0.94</b>	<b>(0.98)</b>	<b>4.38</b>	<b>6.28</b>	<b>5.32</b>	<b>5.30</b>

**C. Oter Information**

(Rs. in crore)

Particulars	International		Domestic		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Total Assets	7.08	4.62	369.39	356.91	376.47	361.53
Total Liabilities	0.17	0.37	206.04	196.22	206.21	196.59
Investment in joint ventures accounted for by equity method	0.00	0.00	0.00	-	-	-
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	0.00	0.00	0.00	-	-	-
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.00	0.00	7.78	12.10	7.78	12.10



**Two operating Segments based on Geographical location of the project viz. Domestic & International**

Particulars	Operating Income		Segment Assets		Additions to Fixed Assets	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Consultancy Projects	165.23	141.99	211.05	165.63	0.09	0.08
Sub- Leasing of MFCs	27.87	14.34	116.82	153.49	-	-
Maintenance of Track	18.96	11.91	13.16	10.90	0.07	
Leasing of Plant & Machinery	5.49	1.84	30.75	29.01	7.62	12.02
Supply of Manpower	1.36	0.77	2.54	0.34	-	
Others		-	2.15	2.16	-	-
<b>Total</b>	<b>218.91</b>	<b>170.84</b>	<b>376.47</b>	<b>361.53</b>	<b>7.78</b>	<b>12.10</b>

**IRCON Infrastructure and Services Limited**  
**Note 42 -Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises GOI, the company is required to spend in every Financial year, at least two percent of the average net profits of the company made during the three immediately preceeding financial years in accordance with its CSR policy. The details of CSR expenses for the year are as under:

				(Rs. in crore)	
		<u>As at 31st March 2023</u>			<u>As at 31st March 2022</u>
a) Gross amount required to be spent by the Company during the year		0.28			0.27
b) Amount approved by the Board to be spent during the year <sup>1</sup>		0.28			0.27
c) Amount spent during the year ending on 31March 2023:	<b>In cash</b>	<b>Shortfall<sup>2</sup></b>		<b>Total</b>	
i) Construction/acquisition of any asset	-	-			-
ii) On purposes other than (i) above	0.28	-			0.28
d) Amount spent during the year ending on 31March 2022:	<b>In cash</b>	<b>Shortfall</b>		<b>Total</b>	
i) Construction/acquisition of any asset	0.01	0.11	—		0.12
ii) On purposes other than (i) above	0.14	0.02	—		0.15
e) Details related to spent / unspent obligations:		<u>As at 31st March 2023</u>			<u>As at 31st March 2022</u>
i) Contribution to Public Trust		0.28			0
ii) Contribution to Charitable Trust		-			0.15
iii) Unspent amount in relation to:					-
- Ongoing project					-
- Other than ongoing project		0.00			0.12

**As per ICAI guidance note on CSR**

**Details of ongoing project and other than ongoing project**

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
Self	-	0.28	0.28	-	0	-

Cont. from Note 42

**In case of S. 135(5) (Other than ongoing project)**

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

**Other Disclosure :**

<b>Particulars</b>	<b>for the year ended 31st March 2023</b>	<b>for the year ended 31st March 2022</b>
Details of Related Party transactions , e.g., Contribution to a Trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard 1	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

**Ircon Infrastructure and Services Limited (CIN - U45400DL2009G01194792)**  
**Notes forming part of the financial statements for the year ended 31st March,2023**

**43 A. Fair Value Measurements**

**(i) Category wise classification of Financial Instruments**

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>(Rs. in crore)</b>				
<b>Financial Assets at Fair Value Through Profit and Loss ('FVTPL')</b>				
Investment in Mutual Funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Assets at Amortized Cost</b>				
(i) Investments	-	-	-	-
Investments in Tax Free Bonds	-	-	-	-
(ii) Trade Receivable	78.61	-	-	78.61
(iii) Loans	0.03	-	-	0.03
(iv) Other Financial Assets	32.26	-	-	32.26
<b>Total</b>	<b>110.90</b>	<b>-</b>	<b>-</b>	<b>110.90</b>

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>(Rs. in crore)</b>				
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	-	-	-	-
(ii) Other Financial Liabilities	71.95	-	-	71.95
<b>Total</b>	<b>71.95</b>	<b>-</b>	<b>-</b>	<b>71.95</b>

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

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>(Rs. in crore)</b>				
<b>Financial Assets at Fair Value Through Profit and Loss ('FVTPL')</b>				
Investment in Mutual Funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Assets at Amortized Cost</b>				
(i) Investments	-	-	-	-
Investments in Tax Free Bonds	-	-	-	-
(ii) Trade Receivable	90.68	-	-	90.68
(iii) Loans	0.05	-	-	0.05
(iv) Other Financial Assets	8.99	-	-	8.99
<b>Total</b>	<b>99.72</b>	<b>-</b>	<b>-</b>	<b>99.72</b>

Particulars	Carrying Value	Fair Value		
Particulars	Carrying Value	Level 1	Level 2	Level 3
<b>(Rs. in crore)</b>				

	Carrying Value	Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	-	-	-	-
(ii) Other Financial Liabilities	33.83	-	-	33.83
<b>Total</b>	<b>33.83</b>			<b>33.83</b>

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

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

- i) The fair value of investments in mutual fund units is based on the Net Asset Value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

\* During the financial year 2022-23 and 2021-22, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

#### **B. Financial Risk Management**

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

##### **a) Market Risk**

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

##### **(i) Foreign Currency Risk**

The company operates internationally and is exposed to insignificant foreign currency risk (since receipts & payments in foreign currency are generally matched) arising from foreign currency transactions, primarily with respect to the US \$ and MMK. Significant foreign currency risk of company are naturally hedged.

##### **(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective.

**b) Credit Risk**

The Company's customer profile includes Ministry of External Affairs, Ministry of Home Affairs, Public Sector Enterprises, State Owned Companies in India. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 15 to 24 months. General payment terms include mobilization advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases, retentions are substituted with bank / corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organization to ensure proper attention and focus for realization.

**Trade and other receivable**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each 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.

**Exposure to Credit Risk**

Particulars	(Rs. in crore)	
	3/31/2023	3/31/2022
<b>Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)</b>		
Non Current Investments	-	-
Non Current Loans	0.01	0.03
Other Non Current Financial Assets	3.29	2.93
Current Investments	-	-
Cash and Cash Equivalents	31.10	39.34
Other Bank Balances	105.30	95.21
Current Loans	0.02	0.02
<b>Other Current Financial Assets</b>	<b>15.13</b>	<b>4.57</b>
<b>Financial Assets for which allowance is measured using Simplified Approach</b>		
Trade Receivables	78.61	90.68
Contract Assets	13.84	1.49

**Summary of change in Loss Allowance measured using Simplified Approach**

Particulars	(Rs. in crore)	
	3/31/2023	3/31/2022
<b>Opening Allowances</b>	-	-
Provided during the year	3.96	-
Utilization during the year	-	-
Amount written-off	-	-
<b>Closing Allowances</b>	<b>3.96</b>	-

During the year, the Company has recognised loss allowance of Rs. 3.96 crores (31 March, 2022 : Rs. Nil crores ).

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

Particulars	(Rs. in crore)	
	3/31/2023	3/31/2022
<b>Opening Allowances</b>	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written-off	-	-
(Exchange Gain) / Loss	-	-
<b>Closing Allowances</b>	<b>-</b>	<b>-</b>

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

During the year, the Company has recognised loss allowance of **Rs. 3.96 crore** (31 March, 2022 : Rs. Nil crore )

**c) Liquidity risk**

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

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

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

Particulars	(Rs. in crore)			
	As on 31 March, 2023			
	Less than 1 Year	1-2 years	2 Years and above	Total
Borrowings	-	-	-	-
Trade payables	13.81	5.12	0.03	18.96
Other financial liabilities	44.03	27.92		71.95
	<b>57.84</b>	<b>33.04</b>	<b>0.03</b>	<b>90.91</b>

Particulars	(Rs. in crore)			
	As on 31 March, 2022			
	Less than 1 Year	1-2 years	2 Years and above	Total
Borrowings				-
Trade payables	13.77	1.53	0.23	15.53
Other financial liabilities	17.21	16.62		33.83
	<b>30.98</b>	<b>18.15</b>	<b>0.23</b>	<b>49.36</b>

**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	
	3/31/2023	
Revenue from top 5 Projects		
Harayana Vishwakarma Skill university (HVSU)		63.54
Sub-Leasing of MFC's		27.87
Chhatishgarh East Railways Limited (CERL)		18.96
National Thermal Power Corporation (NTPC)		18.44
Land Port Authority of India (LPAI)		13.05

Particulars	For the year ended	
	3/31/2022	
Revenue from top 5 Projects		
Harayana Vishwakarma Skill university (HVSU)		64.11
Department of Science & Technology (DST)		23.74
Land Port Authority of India (LPAI)		19.02
Sub-Leasing of MFC's		14.34
Chhatishgarh East Railways Limited (CERL)		11.91

### C. Capital Management

The Company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Company can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Company has paid dividend as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows :-

Particulars	(Rs. in crore)	
	31-Mar-23	31-Mar-22
Dividend Paid	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Particulars	(Rs. in crore)	
	31-Mar-23	31-Mar-22
Borrowings	-	-
<b>Long Term Debt</b>	<b>-</b>	<b>-</b>
Equity (Note No. 13)	65.00	65.00
Other Equity (Note No. 14)	105.26	99.94
<b>Total Equity</b>	<b>170.26</b>	<b>164.94</b>
<b>Debt Equity Ratio</b>	<b>-</b>	<b>-</b>



**Ircon Infrastructure & Services Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**Note: 44 Other disclosures**

- a) As per BOD Approval vide item No 10/15 Dated 20.02.2015, the company has raised their Share Capital to the tune of Rs 25.00 Crores to procure old Track Machines from Different Zonal Railways of India & make them operational for helping in Capacity Building of the company in infrastructure sector. Total Estimated approved Expenditure is Rs. 25 Crores out of which upto the March 2023 has been incurred Rs.21.53 Crores (as at 31st March 2022 Rs. 13.92 Crores)
- b) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Company had sent letters for confirmation to parties included in the above.
- c) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.
- d)The company has a system of obtaining periodic confirmation of balances from balances from banks and other parties. So far as trade/other payable and loan and advances are concerned, the balance Confirmation letter were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations /reconcillations and consequential adjustment if any . Reconcillations are carried out on on-going basis. However, management does not expect to have any material financial impact of such pending confirmations /reconcillations.
- e) Certain reclassifications and recasting have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. These reclassifications have no effect on the reported results of operations.
- f) Previous year figures are shown under bracket ( ) to differentiate from current year figures.
- g) Figures rounded off to the nearest rupees in Crores.

**Note: 45 Covid19 Disclosure**

The World Health Organisation (WHO) declared outbreak of novel Coronavirus (COVID -19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared nationwide lockdown on March 24, 2020 and ordered temporarily closure of non-essential businesses, imposed restrictions on the movement of goods and services, travel etc. The operation at various project sites could be resumed in May'2020 in a gradual manner.

The Company is actively monitoring the impact of the Covid-19 pandemic & lockdown as consequence of its on financial condition, liquidity, operations, work force etc however, the 1st and Second wave of covid-19 pandemic has affected consumers, food & beverages, and hotel industry severely impacting generation of lease rent from MFC to the tune of Rs. Nil for the financial year ending 31st March 2023 (Rs. 3.73 crores for the financial year ending 31st March 2022). Further, invoking force majeure clause of the agreement, the payment of Rs.Nil in the year 2022-23 (Rs Nil in the year 2021-22) to RLDA for the financial year ending 31st March 2022 has not been paid resulting a net impact of Rs. Nil ( Rs. 3.73 cr for FY 2021-22) on profit & loss account. Thus, the results for the financial year ending 31st March 2023 are not comparable with those of the previous periods.

For other operating segments, company expects to recover the carrying amount of its assets comprising property, plant and equipment, intangible assets, right of use assets, advances, trade receivables etc in the ordinary course of business based on con current economic conditions. The Company will continue to closely monitor any material changes to future economic conditions while steps are being taken to improve its working efficiencies through work from home, e-office etc.

**Note: 46**

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

- (i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year ending 31st March 2023 and 31st March 2022.
- (ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ending 31st March 2023 and 31st March 2022.
- (iii) The Company do not have any Benami property as on 31st March 2023 and 31st March 2022, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iv) The Company do not have any prior period errors in financial year ending on 31st March 2023 and 31st March 2022 to be disclosed separately in Statement of changes in equity.
- (v) The Company has no cases of any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in the financial year ending 31st March 2023 and 31st March 2022.
- (vi) During the financial year 2022-23 and 2021-22, the Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) During the financial year 2022-23 and 2021-22, the Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (viii) The Company has not granted any loans and advances in the nature of loans to promoters, directors, KMP and other related parties in the financial year ending 31st March 2023 and 31st March 2022.
- (ix) The Company does not have any immovable properties as at 31st March 2023 and 31st March 2022.
- (x) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority in the financial year 2022-23 and 2021-22.
- (xi) Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable.
- (xii) The Company does not have any transactions in financial year 2022-23 and 2021-22, where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- (xiii) The Company have not entered into any scheme(s) of arrangements during the year ending 31st March 2023 and period ending 31st March 2022.
- (xiv) The Company has not entered in any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (xv) Company has not received any grants and donations during the year ending 31st March 2023 and period ending 31st March 2022.
- (xvi) The Company does not have any Capital Work- in- Progress, Investment Property, Intangible Assets and Intangible Assets under Development as at 31st March, 2023 and 31st March, 2022. During the year 2022-23 and 2021-22, the company has not revalued any of its Property, plant and equipment.

**(b) Recent accounting pronouncements**

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

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

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

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

**Ratios**

The following accounting ratios are disclosed:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for change more than 25%
Current ratio	Current Assets	Current Liabilities	1.69	1.81	-6.98%	NA
Debt-equity ratio	Total Debt	Shareholder's			NA	
Debt service	Earnings for debt service =	Debt service =			NA	
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's	0.03	0.03	-2.62%	NA
Inventory turnover	Cost of goods sold	Average Inventory	0.04	0.01	278.60%	Due to Increase in the closing Inventory.
Trade receivables	Net credit sales = Gross credit	Average Trade	2.59	1.98	30.92%	Due to Increase in the Sales.
Trade payable	Net credit purchases = Gross	Average Trade	9.73	8.01	21.43%	NA
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets –	1.99	1.46	36.57%	Due to Increase in the Sales.
Net profit ratio	Net Profit	Net sales = Total	0.02	0.03	-21.52%	NA
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt +	0.08	0.15	-48.42%	Due to the Decrease in the Profit.
Return on investment	Interest (Finance Income)	Investment	0.051	0.03	59.81%	Due to the Increase in the Interest Rate during the year.

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.M.G.S. & Associates  
Chartered Accountants  
FRN - 004730N

Sd/-  
Preeti Shukla  
C.F.O

Sd/-  
Ajay Pal Singh  
C.E.O

Sd/-  
Manisha Gupta  
C.S.

Sd/-  
CA Sundeep Jindal  
(Partner)  
M. No. 095051

Sd/-  
Abheejit Kumar Sinha  
Director  
(DIN-09213782)

Sd/-  
Parag Verma  
Chairman  
(DIN- 05272169)

Place : New Delhi  
Date : 18<sup>th</sup> May 2023

**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 INFRASTRUCTURE & SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of **Ircon Infrastructure & Services Limited** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Ircon Infrastructure & Services Limited** for the year ended 31 March 2023 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

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

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



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

Place: New Delhi  
Dated: 07.08.2023



**IRCON INFRASTRUCTURE & SERVICES LIMITED (IrconISL)**  
**(A Wholly Owned Subsidiary of IRCON International Limited, a Govt. of India Undertaking)**

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**Corporate Office:** B-40A, Second Floor, Sector 1, Noida-201301

Tel.: 01202970406

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