IRCON SHIVPURI GUNA TOLLWAY LIMITED

(IrconSGTL)

5th ANNUAL REPORT (2019-20)

CONTENTS OF ANNUAL REPORT OF IRCON SHIVPURI GUNA TOLLWAY LIMITED (IrconSGTL) FOR THE FY 2019-20

STATUTORY AUDITORS

M/s Ajay K. Jain & Co.
Chartered Accountants

SECRETARIAL AUDITOR

M/s Sorabh Jain & Associates
Company Secretaries

INTERNAL AUDITORS

M/s V.M. Arora & Company
Chartered Accountants
New Delhi

COST AUDITOR

M/s Ravi Sahni & Co.
Cost Accountants
New Delhi

BANKERS TO THE COMPANY

Indian Overseas Bank,
R. K. Puram,
New Delhi

EPC CONTRACTOR TO COMPANY

Ircon International Limited

REGISTERED OFFICE

C-4, District Centre,
Saket, New Delhi – 110017
E-mail: cs.irconsgtl@gmail.com
Tel No.: 91-11-29565666
CIN: U45400DL2015GOI280017

Board of Directors

(Part-Time Directors)

Mr. S. L. Gupta
Chairman

Mr. Ashok Kumar Goyal
Director

Mr. Rajendra Singh Yadav
Director

Mr. Surajit Dutta
Director

Mr. D. K. Sharma
Director

Key Executives

Mr. Masood Ahmad Najar
Chief Executive Officer

Mr. Sanjeev Kumar Gupta
Chief Financial Officer

**Ms Sakshi Mehta, Company Secretary of IrconSGTL resigned from the post of Company Secretary w.e.f 21st August 2020.*

PROJECT PHOTOGRAPHS
(NH-3, Shivpuri Guna Tollway, Madhya Pradesh)

Directors' Report

FY: 2019-20

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting 5th Annual Report on the affairs of the Company for the financial year ended 2019-20.

A. BUSINESS OVERVIEW: PRESENT STATE OF AFFAIRS

Ircon Shivpuri Guna Tollway Limited (IrconSGTL) is engaged into construction of **Shivpuri Guna Highway Project on NH-3 in the State of Madhya Pradesh** with a total project cost of Rs. 872.11 Crores, however the project is being executed in two phases i.e. Phase - I & Phase - II. The total cost for Phase - I is Rs. 759.98 Crores whereas the cost for Phase - II is Rs. 112.13 Crores and will commence from January 2021.

Company is making physical and financial progress in terms of the scheduled timeline mandated by the Concession Agreement signed with NHAI for completion of construction within 910 days from the Appointed Date being 25th January 2016 ('Commercial Operation Date' - COD) and commissioning the tollway operations.

The Commercial Date of Operations (COD) for Stage-1 of the project (i.e. 87.5Km length) was achieved one and a half month ahead of the schedule i.e. on June 6, 2018 (though scheduled on July 23, 2018). Thus, operation of toll plaza and collection of revenue has been started on the project w.e.f. June 7, 2018. Revenue collected from June 07, 2018 to March 31, 2019 is ₹72.88 crore.

Due to nation-wide lockdown to curb spread of COVID-19 and NHAI instruction, tolling was suspended from March 26, 2020 and the revenue at the toll plaza has reduced considerably. However, operation of tolling has been resumed from April 20, 2020.

The sources of funding utilized for attaining the said financial progress is as mentioned below:-

- Equity Share Capital: Rs. 150 crore (Entire equity has been called and expended)
- Secured Loan (Borrowings): Rs. 564.15 crore as on 31st March 2020 (Against the Sanctioned Loan Amount of Rs. 722.11 crore).

B. FINANCIAL PERFORMANCE OF THE COMPANY

In pursuance of the provisions enumerated under Companies (Indian Accounting Standards) Rules, 2015, the Company has prepared its annual financial statements for the financial year 2019-20 as per Indian Accounting Standards (IND AS).

The summarized financial position of the Company for the financial year ended 31st March 2020 as per IND AS is as tabulated below:-

Financial performance Indicators as on 31st March 2020

(Amount in Rs. crore)

Particulars	**For the Year Ended 31.03.2020**	**For the Year Ended 31.03.2019**
	(Audited)	**(Audited)**
1. Equity Share Capital	150	150
2. Other Equity (includes Reserves and Surplus)	(62.19)	(31.36)
3. Loan from Holding Company (Borrowings)	564.15	561.59
4. Intangible Assets under Development	-	-
5. Other Intangible Assets	650.88	692.41
6. Total Assets and Liabilities	656.06	705.34
7. Revenue from Operations	94.44	149.75
8. Other Income	0.44	0.43
9. Total Income (7) + (8)	94.88	150.18
10. Project Expenses	29.58	101.60
11. Administration Expenses (including depreciation, amortization & impairment)	95.99	79.05
12. Other Expenses	0.04	0.06
12. Total Expenses (10) + (11) + (12)	**125.61**	**180.71**
13. Profit / (Loss) Before Tax (9) – (12)	**(30.73)**	**(30.53)**
14. Profit / (Loss) After Tax	**(30.83)**	**(30.63)**
15. Other Comprehensive Income	-	-
16. Total Comprehensive Income (Comprising Profit (Loss) & Other Comprehensive Income (14) + (15)	**(30.83)**	**(30.63)**

Share Capital

The Authorized and paid-up share capital of the Company is Rs.150 Crore comprising of 15,00,00,000 equity shares of Rs.10 each as on 31st March 2020.

C. CASH FLOWS FROM THE PROJECT

The total decrease in Cash Flows from the project activities during the year is **Rs.6.29 crore**.

D. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

The MDAR has been annexed to the Director's Report as **ANNEXURE – A.**

E. BOARD COMMITTEES

In pursuance of MCA's exemption notification and exemption granted by DPE from the compliance of DPE Corporate Governance Guidelines, Audit Committee and Nomination & Remuneration Committee (NRC) has been rescinded by the Board w.e.f. 5th February 2020.

However, the details pertaining to composition of Audit Committee & Nomination and Remuneration Committee (NRC) before its rescission are included in the Corporate Governance Report, which forms part of this report.

F. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) NUMBER OF MEETINGS OF THE BOARD AND THE ATTENDANCE RECORD

The Board has met 7 number of times during the previous financial year 2019-20 as per the provisions of the Companies Act, 2013, Meetings of Board and its Powers, Rules, 2014 and DPE (Corporate Governance) Guidelines 2010.

Details of Board Meetings Convened During the FY 2019-20

Sr. No.	Date of Board Meeting	Time Gap w.r.t. Previous Meeting (No. of Days)	No. of Directors Present	No. of Directors Absent
1.	2nd May 2019	72	5	Nil
2.	29th July 2019	87	5	Nil
3.	23rd August 2019	24	4	1
4.	19th September 2019	26	4	1
5.	24th October 2019	34	3	1
6.	27th January 2020	94	4	1
7.	5th February 2020	08	4	1

(ii) BOARD OF DIRECTORS

The following Directors are holding office as on date:

S. No.	Directors	Date of Appointment	DIN
1.	Mr. S.L. Gupta, Part-time Chairman	1st November 2019	07598920
2.	Mr. Ashok Kumar Goyal, Part-time Director	12th May 2015	05308809
3.	Mr. R.S. Yadav, Part-time Director	27th January 2020	07752915
4.	Mr. Surajit Dutta, Part-time Director	1st November 2019	06687032
5.	Mr. D.K. Sharma, Part-time Director	19th September 2019	08556821

(iii) KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act 2013, Mr. Masood Ahmad Najar, Chief Executive Officer, was declared as Key Managerial Personnel (KMP) of the Company w.e.f. 21st July 2016.

Mr. Sanjeev Kumar Gupta has been deputed by the holding company as Chief Financial Officer of the Company, and was declared as Key Managerial Personnel (KMP) of the Company w.e.f. 4th January 2019.

Ms. Sakshi Mehta was appointed as Company Secretary w.e.f. 29th May 2017.

G. DIRECTORS' RESPONSIBILITY STATEMENT (DRS)
(Pursuant to Section 134(3)(c) of Companies Act, 2013)

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

(a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) that the directors had prepared the annual accounts on a going concern basis; and

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

H. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS U/S 149(6)

Not Applicable as the Company do not have any Independent Director during the Financial Year 2019-20.

I. INTER-CORPORATE LOANS AND INVESTMENTS (SEC 185 AND SEC 186)

The Company has not made any inter-corporate loans and investments and as such NIL transactions stand as on date.

J. EXTRACT OF ANNUAL RETURN – MGT-9

The extract of Annual Return as per Section 92(3) read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 (Mandatory Requirement of the Act) has been annexed as **ANNEXURE – B.**

K. RELATED PARTY TRANSACTIONS U/S 188 – CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES IN FORM NO. AOC-2

The disclosure pertaining to the transactions entered by the Company with its related parties in Form No. AOC-2 has been enclosed as **ANNEXURE - C.**

L. DIVIDEND & RESERVES

The Board of Directors does not recommend any dividend on the Equity Shares of the Company for the FY ended 31st March 2020.

As per the applicability of IND AS, Reserves are reflected as Retained Earnings under the head ‘Other Equity’ in Financial Statements and your Company has a negative balance of Rs. (62.19) crore in Retained Earnings as on 31st March 2020.

M. DEPOSITS

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

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

During the construction of the highway, adequate measures as stipulated by NHAI had been taken to ensure environment protection and conservation. There was no foreign exchange inflow or outflow during the financial year 2019-20.

O. DIRECTOR'S OBSERVATIONS AND COMMENTS FOR FINANCIAL STATEMENTS (EXPLANATIONS FOR ANY COMMENTS MADE BY AUDITORS IN THEIR REPORT)

The Financial Statements reflect a true and fair view of the accounts based on double entry system of accounting with profit and losses recorded on accrual basis, ledger posting for each and every transaction recorded in journal, preparation of trial balance, rectification of errors and balancing of accounts.

The Directors of the Company have closely evaluated the Financial Statements along with the Observations and Comments made by the Statutory Auditors in their Report and found it to be in complete order with nil qualifications raised by the Auditors.

P. DETAILS RELATING TO ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal Financial Controls (IFC) in relation to Financial Statements pertain to proper safeguard measures being undertaken in terms of adherence to policies and procedures being adopted, asset provisioning and recording of expenses and incomes (Financial Reporting).

As per Section 143 of the Companies Act, 2013 and the Companies (Auditor's Report) Order, 2015 (Applicable from *the date of publication in the Official Gazette)* provides for Auditors to mention in their Auditors' Report about the adequacy of internal financial controls existing in the Company commensurating with the size and nature of business.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate commensurate with its size and complexity. Your Company believes that these internal control systems provide a reasonable assurance that the Company's transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss.

Q. RISK MANAGEMENT

The Board does not foresee any major threat/risk to the business of the Company.

R. PARTICULARS OF EMPLOYEES

There is no employee who has drawn remuneration of Rs.60 Lakhs or more per annum or Rs.5 lakh or more per month during the year 2019-20 in terms of section 134(3) of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment & Remuneration of key Managerial Personnel) Rules, 2014.

S. REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance has been annexed to this Report as **ANNEXURE – D.**

T. AUDITORS

a) Statutory Auditors

M/s Ajay K. Jain & Co., Chartered Accountants, was appointed by the Comptroller and Auditor General of India (C&AG) as Statutory Auditors, to audit the Financial Statements of the Company for the year 2019-20.

b) Secretarial Auditor

M/s Sorabh Jain & Associates, Company Secretaries, was appointed by the Board of Directors to conduct the Secretarial Audit of the Company for the financial year 2019-20.

c) Internal Auditors

The Board of Directors have appointed M/s V.M. Arora & Company, Chartered Accountants, as Internal Auditors for the financial year 2019-20, to conduct the Internal Audit of the Company.

d) Cost Auditor

M/s Ravi Sahni & Co., Cost Accountants, was appointed by the Board of Directors as Cost Auditors of the Company for the financial year 2019-20, for conducting the audit of cost records maintained by the Company as per the applicable Rules/Guidance Note, etc.

U. CSR COMMITTEE

During the year under review, the Company was not required to constitute the Corporate Social Responsibility (CSR) Committee due to not falling within the purview of Net Worth of Rs.500 Crores or more, Turnover of Rs.1,000 Crores or more or Net Profit of Rs.5 Crores or more. (Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

V. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has no subsidiaries, associate or joint venture companies.

W. DETAILS OF MATERIAL CHANGES OR COMMITMENTS AFFECTED FROM THE DATE OF CLOSE OF THE FINANCIAL YEAR TILL THE DATE OF REPORT OF AGM

After the close of the year, the Company has repaid Rs.13.50 crore as on 13th August 2020 to holding company of loan already taken from holding company (Ircon).

X. MEMORANDUM OF UNDERSTANDING

DPE has granted exemption to the Company from signing of MoU with Ircon for the financial year 2019-20.

XI. MSE COMPLIANCE

It always has been endeavour of IrconSGTL to support Micro and Small Enterprises (MSEs) and local suppliers. IrconSGTL 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. The actual procurement from MSEs during the year was Rs. 0.48 lakhs vis-à-vis total annual procurement target of Rs.0.50 lakhs of the Company.

XII. POLICY IN COMPLIANCE OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT:-

The Company has zero tolerance towards sexual harassment at the workplace and adoption of policy on prevention, prohibition and redressal of sexual harassment at workplace is under consideration in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

During the period under review, there was no incidence where any complaint relating to sexual harassment was reported pursuant Section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Also, the constitution of internal complaint committee in accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is under consideration.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude for the valuable assistance and co-operation extended to the Company by the Ircon International Limited, Lenders, Business Associates, Auditors of the Company and the valued Client of the Company – National Highways Authority of India. They also wish to place on record their appreciation for the loyal and devoted services rendered by all the categories of employees.

For and on behalf of Board of Directors
of Ircon Shivpuri Guna Tollway Limited

Sd/-

S.L. Gupta
Chairman
DIN: 07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE – A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

(i) Industry Structure and Developments

Construction Industry over the years with respect to construction of roads and highways is spearheading towards more growth and more capital contribution being made to develop and operate such projects on BOT Basis as awarded by NHAI.

NHAI is awarding such projects enabling investors and contractors to earn stable incomes with less risk of loss or uncertainties based on area's traffic assessment as compared to other industries where demand and supply factors along with availability of substitutes as service providers. Herein such projects when awarded are critically evaluated before issue of letter of acceptance to the party in terms of credibility and financial position to execute the project, making estimated earnings from such projects less susceptible from market ups and downs.

As such NHAI under its flagship programme NHDP-Phase IV has taken as the challenge to develop, expand the National Highways (NH) network in the Country. For implementation of the scheme, the work of widening and strengthening of the Shivpuri Guna Section (NH-3) in the State of Madhya Pradesh for which tender was floated by NHAI in which Ircon International Limited (i.e. holding company) participated, bagged the contract for execution and incorporated SPV named as Ircon Shivpuri Guna Tollway Limited. This project based on industrial trends has growth potential and has increased propensity to make huge collections from highway consumers relative to inflation rates existing in the economy.

(ii) Strengths and Weaknesses

- **Strengths**

Due to increased focus of government on infrastructure sector, the roads and highways network is going to expand further with more and more investments flowing into it. Good growth in road traffic is in a way impetus for priority sector development by Government of India – Make in India and Industrial Corridors adding up to the demand for better road connectivity and smooth flow of traffic. Rate of growth in Traffic on highways is expected to rise with more economic and industrial developments in the next two years. With a growing population in India, demand for road transport would increase further by 2020, implying more investments and more returns.

- **Weaknesses**

(i) Chances of Natural disadvantage are there.
(ii) Construction Projects relating to highways face issues with respect to efficiency in delivering timely output.
(iii) Unexpected cost escalations due to increase in price of petroleum products and natural materials.

(iii) Opportunities and Threats

- **Opportunities**

(i) Continuous rising vehicles on the roads and highways shall bring stability and growth in operations and the related profitability.
(ii) Development of Estimated Benefit – Cost Analysis Model for Highway Projects helps in quantifying expected revenues (toll income) over a long-period of time, as compared to rendering of other services.

- **Threats**

No Major threat has been assessed as the 'Project's Physical Progress' for Phase – I has been completed and the Commercial Operation Date (COD) has been achieved 1 month & 15 days in advance i.e. on 6th June 2018. Thus, toll Collection & Operation and Road Maintenance Agency has been deployed on the project. However, with development of new routes, possibility of diversion of traffic cannot be rules out.

(iv) Outlook

National Highways Authority of India (NHAI) under its flagship project "National Highways Development Program (NHDP)" is planning to give further boost to the construction industry by way of awarding more highway projects and encouraging private partnerships and use of innovative technologies for development.

(v) Discussion on financial performance with respect to operational performance

Current Operational and Non-Operational Income and Expenses break-up for the FY 2019-20 is detailed below:-

Table I: Present Financial Situation

(Amount in Rs. Crore)

	Particulars	**For the Period From 1st April 2019 to 31st March 2020**
I.	**Revenue :**	
	Revenue from operations	94.44
	Other income	0.44
	Total Revenue	**94.88**
II.	**Expenses:**	
	Project Expenses	29.58
	Employee benefits Expenses	1.60
	Finance Costs	52.84
	Depreciation, amortization and impairment	41.55
	Other Expenses	0.04
	Total Expenses	**125.61**
IV.	**Profit / (Loss) Before Tax**	**(30.73)**

(vi) Material developments in Human Resources, Industrial Relations front, including number of people employed

The Company has appointed the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary of the Company for handling the executive functions, financial affairs and mandatory compliances and disclosures of the Company.

For and on behalf of Board of Directors
of Ircon Shivpuri Guna Tollway Limited

Sd/-
S.L. Gupta
Chairman
DIN: 07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE – B

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	U45400DL2015GOI280017
2.	**Registration Date**	12th May, 2015
3.	**Name of the Company**	Ircon Shivpuri Guna Tollway Limited
4.	**Category/Sub-category of the Company**	Government Company (Wholly-owned Subsidiary Company of Ircon International Limited)
5.	**Address of the Registered office & contact details**	C-4, District Centre, Saket, New Delhi -110017
6.	**Whether Listed or Unlisted Company**	Unlisted Company
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	Not Applicable

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

S. No.	Name and Description of Main Products / Services	NIC Code of the Products/Services	% to Total Turnover of the Company
1.	Rendering Services in the nature of construction of Project Highway on Shivpuri-Guna Section (NH-3) in the State of Madhya Pradesh: Construction Services: Highway Project (Through EPC Contractor)	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	IRCON INTERNATIONAL LIMITED	L45203DL1976GOI008171	HOLDING COMPANY	100% *	Sec 2(46)

*** 100% Shares held by Ircon International Limited (Ircon) and its 8 Nominees.**

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

A) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year, [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.#	Nil	150000000	150000000	100%	Nil	150000000	150000000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)	**Nil**	**150000000**	**150000000**	**100%**	**Nil**	**150000000**	**150000000**	**100%**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-

ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**Nil**	**150000000**	**150000000**	**100%**	**Nil**	**150000000**	**150000000**	**100%**	-

 # Bodies Corporate: 100% Shareholding is with Body Corporate – Ircon International Limited and its 8 Nominees.

B) SHAREHOLDING OF PROMOTERS:

SN	Shareholder's Name	Shareholding at the beginning of the year, as on 31st March 2019			Shareholding at the end of the year, as on 31st March 2020			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	%of Shares Pledged / encumbered to Total Shares	
1	Ircon International Limited	150000000	100%	-	150000000	100%	Nil	-
	Total	150000000	100%	-	150000000	100%	Nil	-

Shareholding of Promoters: Company is wholly-owned subsidiary of Ircon International Limited – with 150,000,000 Equity Shares of Rs.10/- each i.e. Entire Shareholding held by Indian Promoters.

The other 8 shareholders out of which 1 shareholder is holding 200 shares **"for and on behalf of Ircon International Limited"** and rest 7 are holding 100 shares each **"for and on behalf of Ircon International Limited".**

C) CHANGE IN PROMOTERS' SHAREHOLDING:

SN	Particulars	Shareholding at the beginning of the Year, as on 31st March 2019		Cumulative Shareholding during the Year, as on 31st March 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the Beginning of the Year	150000000	100%	150000000	100%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
3.	At the End of the Year	150000000	100%	150000000	100%

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

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

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL $:

Shareholding of Each Director(s) and Each Key Managerial Personnel	Shareholding at the beginning of the Year, as on 31st March 2019		Cumulative Shareholding during the Year as on 31st March 2020	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the Beginning of the Year	-			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	**NIL**			
At the End of the Year				

$ 100 equity shares of Rs. 10 each held by the directors of the Company, viz. Mr. Ashok Kumar Goyal, Mr. Rajendra Singh Yadav, Mr. Surajit Dutta, only "For and on behalf of Ircon International Limited (Ircon) and 200 equity shares of Rs.10 each held by the Chairman of the Company i.e. Mr. S.L. Gupta, "For and on behalf of Ircon International Limited (Ircon)."

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	561,59,00,000	-	-	561,59,00,000
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	561,59,00,000			
Change in Indebtedness during the financial year				
* Addition	18,00,00,000			18,00,00,000
* Reduction	15,44,00,000			15,44,00,000
Net Change	2,56,00,000			
Indebtedness at the end of the financial year				
i) Principal Amount	564,15,00,000	-	-	564,15,00,000
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	564,15,00,000			

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

@IrconSGTL had five Part-time Directors during the financial year 2019-20, 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.

B. REMUNERATION TO OTHER DIRECTORS:

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

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

(Amount in Rs.)

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. Masood Ahmad Najar	**CFO Mr. Sanjeev Kumar Gupta**	**CS Ms. Sakshi Mehta**	**Total**
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,61,034	12,26,700	4,88,297	40,76,031
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify				
	- Performance linked incentive (PRP)	4,86,472	2,10,764	-	6,97,236
	- Retirement benefits (Pension, PF)	7,37,672	3,87,913	19,894	11,45,479
	Total	**35,85,178**	**18,25,377**	**5,08,191**	**59,18,746**

I. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

For and on behalf of Board of Directors
of Ircon Shivpuri Guna Tollway Limited

Sd/-

S.L. Gupta
Chairman
DIN: 07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE - C

FORM NO. AOC-2

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

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

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:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/paid as advances by IrconSGTL, if any (Rs. in crores)
1.	**Ircon International Limited (Ircon),** Holding Company.	a) **EPC Agreement** dated 30.11.2015	EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconSGTL.	The Contract has been executed for a value of Rs 642 Crores for execution of development of project highway.	Not Applicable	NIL
		b) Execution to two Addendums to EPC Agreement (These addendums would be forming part of orginal EPC agreement)	a) Addendum 1 entered on 29.03.2016 b) Addendum 2 entered on 22.07.2016	Addendum No. 1, 2 to the EPC Agreement have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs. 642 crore.		

		c)	**Lease Agreement** (Rent for Use of Office Premises)	**Date:**Lease Agreement dated 27.06.2018 **Duration:** 3 years w.e.f. 01.07.2018	Rent: Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		

For and on behalf of Board of Directors
of Ircon Shivpuri Guna Tollway Limited

Sd/-

S.L. Gupta
Chairman
DIN: 07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE – D

REPORT ON CORPORATE GOVERNANCE

The Company being a government entity focuses on adherence to **"Corporate Governance Measures"** being adopted for effective business functioning and conduct of transactions in a transparent manner. It strictly follows timely tested corporate functioning mechanisms and doesn't believe in adhoc planning or decision making. Proper accountability is fixed on Company officers ensuring adoption of due diligence and ethical and professional business practices.

1. **Philosophy of Company:** Corporate functioning is programmed with Statutory Compliances and governance structure is aligned with maximizing profitability in line with protection of stakeholder's interest.

2. **Board of Directors**

2.1 Composition of Board:-

The Company has a non-executive board with its members as Mr. S.L. Gupta, Chairman, Mr. Ashok Kumar Goyal, Director, Mr. Rajendra Singh Yadav, Director, Mr. Surajit Dutta, Director, and Mr. D.K. Sharma, Director.

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.

The Directors of the Company have attended the Board Meetings in a regular manner offering productivity and valuable insights for the organizational functions.

2.2 The details of directors as on the date of this report are given below:

BOARD OF DIRECTORS AND THEIR MEMBERSHIPS OF BOD / COMMITTEES (As on the date of this report)

Directors	Whole-time / Part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconSGTL)	Committee Memberships held in Companies / Body Corporates (including IrconSGTL)	
			As Chairman	As Member
Mr. S.L. Gupta [DIN 07598920]	Part – time Chairman	8 [Ircon, IrconPBTL, IrconDHHL, CERL, CEWRL, MCRL, IrconVKEL, and BRPL]	NIL	3

Mr. Ashok Kumar Goyal [DIN 05308809]	Part – time Director	5 [ISTPL, IrconISL, IrconPBTL, IrconDHHL, and IrconVKEL]	2	2
Mr. Rajendra Singh Yadav [DIN 07752915]	Part – time Director	3 [IrconPBTL, IrconDHHL and IrconVKEL]	2	2
Mr. Surajit Dutta [DIN 06687032]	Part – time Director	3 [IrconPBTL, IrconDHHL and IrconVKEL]	1	2
Mr. D.K. Sharma [DIN 08556821]	Part – time Director	NA	NA	NA

DIRECTORS WHO CEASED TO HOLD OFFICE
(During 2019-20 and thereafter till the date of this report)

Directors	Whole-time / Part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconSGTL)	Committee Memberships held in Companies / Body Corporates (including IrconSGTL)	
			As Chairman	As Member
Mr. Deepak Sabhlok [DIN 03056457]	Part – time Chairman	9 [Ircon, ISTPL, IrconPBTL, IrconDHHL, CERL, CEWRL, MCRL, IrconVKEL, and BRPL]	1	5
Mr. Anand Kumar Singh [DIN 07018776]	Part – time Director	3 [IrconPBTL, IrconDHHL and IrconVKEL]	2	3
Ms. Anupam Ban [DIN 07797026]	Part – time Director	3 [IrconPBTL, IrconDHHL and IrconVKEL]	1	NIL
Ms. Bhuvaneshwari Krishnan [DIN 07486148]	Part – time Director	1 [IrconPBTL]	2	NIL

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 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 Guidelines). Only Audit Committee is to be counted for the said limit.
7. Full names of Companies referred:
   a) Ircon – Ircon International Limited
   b) IrconISL – Ircon Infrastructure Services Limited
   c) ISTPL – Ircon-Soma Tollway Private Limited
   d) IrconPBTL - Ircon PB Tollway Limited
   e) IrconDHHL – Ircon Davanagere Haveri Highway Limited
   f) CERL – Chhattisgarh East Railway Limited
   g) CEWRL - Chhattisgarh East-West Railway Limited
   h) MCRL – Mahanadi Coal Railway Limited
   i) IrconVKEL – Ircon Vadodara Kim Expressway Limited
   j) BRPL – Bastar Railway Private Limited

3. BoD Meetings and Attendance during 2019-20:

a) The Board of Directors met 7 times during the financial year (FY) 2019-20 on: 2nd May 2019, 29th July 2019, 23rd August 2019, 19th September 2019, 24th October 2019, 27th January 2020 and 5th February 2020.

b) Leave of absence was granted in terms of section 167(1)(b) of the Companies Act, 2013.

c) Details of attendance of the Directors and Company Secretary during 2019-20:

Directors	No. of Board Meetings during 2019-20		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Mr. Deepak Sabhlok	5	5	YES
Mr. Ashok Kumar Goyal	7	7	YES
Mr. Anand Kumar Singh	4	4	YES
Mr. Rajendra Singh Yadav	6	5	YES
Ms. Anupam Ban	4	4	YES
Mr. S.L. Gupta	2	2	NO
Mr. Surajit Dutta	2	2	YES (As Nominee Shareholder)

Mr. D.K. Sharma	4	0	NA

Ms. Sakshi Mehta, Company Secretary, attended all the 7 meetings held during the FY 2019-20.

4. Committees of BoD
4.1 Audit Committee

4.1.1 Terms of Reference

The paid-up share capital of the Company has been increased from Rs. 3 crores to Rs. 33 crores (w.e.f 18th March 2016) during the financial year 2015-16, which is 100% held by Ircon. Consequently, in compliance of section 177 of Companies Act, 2013, the Board of Directors constituted the Audit Committee at its meeting held on 17th October 2016. The Terms of Reference of the Audit Committee as specified in writing by the Board which shall, *inter alia,* include,—

(i) **the recommendation** for appointment, remuneration and terms of appointment of auditors of the company;
(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
(iii) examination of the financial statement and the auditors' report thereon;
(iv) approval or any subsequent modification of transactions of the company with related parties;
(v) scrutiny of inter-corporate loans and investments;
(vi) valuation of undertakings or assets of the company, wherever it is necessary;
(vii) evaluation of internal financial controls and risk management systems;
(viii) monitoring the end use of funds raised through public offers and related matters.

4.1.2 Audit Committee – Composition and Attendance:

The Audit Committee of the Board, consisting of three part-time Directors of the Company, was originally constituted on 17th October 2016 with the approval of Board of Directors adopting the terms of reference. The Audit Committee is reconstituted as and when there has been a change in part-time directors nominated by holding company.
The composition of the Committee as on 27th January 2020 was:

Mr. Surajit Dutta	-	Part-time Director as Chairman
Mr. Ashok Kumar Goyal	-	Part-time Director as Member
Mr. R.S. Yadav	-	Part-time Director as Member

Ms. Sakshi Mehta, Company Secretary, is the Secretary of the Audit Committee.

The Audit Committee met 6 times during the financial year 2019-20 on 2nd May 2019, 29th July 2019, 23rd August 2019, 24th October 2019, 27th January 2020 and 5th February 2020. The attendance details of said meetings are:

Member	No. of Audit Committee Meetings during 2019-20	
	Held (during their	Attended

	respective tenures)	
Mr. Anand Kumar Singh	3	3
Mr. Ashok Kumar Goyal	6	6
Mr. Rajendra Singh Yadav	4	3
Ms. Bhuvaneshwari Krishnan	1	1
Mr. D.K. Sharma	2	0
Mr. Surajit Dutta	2	2

Ms. Sakshi Mehta, Company Secretary, attended all the Audit Committee meetings held during 2019-20.

In pursuance of MCA's exemption notification and exemption granted by DPE from the compliance of DPE Corporate Governance Guidelines, Audit Committee has been rescinded by the Board w.e.f. 5th February 2020.

4.2 Nomination and Remuneration Committee (NRC)

As per section 178 of the 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 14th 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.

The Company has constituted the Nomination and Remuneration Committee (NRC) on 17th October 2016 pursuant to section 178 of the Companies Act 2013 and para 5.1 of the DPE CG Guidelines, 2010.

The composition of the Committee as on 27th January 2020 was:

(i) Mr. Ashok Kumar Goyal - Part-Time Director as Chairman
(ii) Mr. R.S. Yadav - Part-Time Director as Member
(iii) Mr. Surajit Dutta - Part-Time Director as Member

Ms. Sakshi Mehta, Company Secretary, is the Secretary of Nomination and Remuneration Committee.

Terms of Reference

The Nomination and Remuneration Committee (NRC) shall-

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- Recommend to the Board their appointment and removal,
- Carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

There was no NRC meeting held during the FY 2019-20.

In pursuance of MCA's exemption notification and exemption granted by DPE from the compliance of DPE Corporate Governance Guidelines, Nomination & Remuneration Committee (NRC) has been rescinded by the Board w.e.f. 5th February 2020.

5. General Body Meetings

The details of general meetings held during last five years i.e. 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20 are tabulated as below:

Table II: General Meetings

Sr. No.	Type of Shareholder Meeting	Date of Meeting	Time	Location	For Transacting	
					Ordinary Business	Special Business
1.	First Extraordinary General Meeting (EGM)	16th June 2015	1300 Hours	Company's Registered Office, Delhi	NA	Borrowing Powers of Company in excess of paid-up Share Capital and Free Reserves u/s 180(1)(c) of Companies Act, 2013
2.	First Annual General Meeting (AGM)	27th September 2016	1200 Hours	Company's Registered Office, Delhi	3	NA
3.	Second Annual General Meeting (AGM)	25th September 2017	1100 Hours	Company's Registered Office, Delhi	2	NA
4.	Third Annual General Meeting (AGM)	25th September 2018	1230 Hours	Company's Registered Office, Delhi	2	NA
5.	Fourth Annual General Meeting (AGM)	26th August 2019	1630 Hours	Company's Registered Office, Delhi	2	Ratification of Remuneration of Cost Auditor of The Company For The FY 2018-19 And 2019-20

NA denotes: Not Applicable

6. Disclosures and Statutory Compliances:-

Adequate Disclosures pertaining to Director's interest, related party transactions, maintenance of statutory registers have been taken and placed periodically before the Board of Directors to take informed decisions, with the Board following a clear policy of specific delegation and authorization of designated officers to handle the business matters. MCA Filings with respect to disclosures, intimations, allotments and appointments have been made in a time bound manner with no pending matters.

7. 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 Board of Directors (placed as **"Annexure – D-1"** to this Report).

8. Certificate for Compliance with Corporate Governance Guidelines

DPE Guidelines, 2010 prescribes a certificate to be obtained from the Statutory Auditors or the Practicing Company Secretary for corporate governance guidelines followed by the Company (Chapter 8: Report, Compliance and Schedule of Implementation – Clause 8.2: Compliance).

The said certificate was obtained from the Practising Company Secretaries (PCS), Arun Kumar Gupta and Associates, Company Secretaries, having office at 1005, Roots Tower, Plot No. 7, District Centre, Laxmi Nagar, Delhi – 110092, for the Financial Year 2019-20, and is attached herewith as **ANNEXURE – "D-2".**

For and on behalf of Board of Directors
of Ircon Shivpuri Guna Tollway Limited

Sd/-

S L Gupta
Chairman
DIN: 07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE – “D-1”

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER CERTIFICATION

We have reviewed the Financial Statements including the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement for the Financial Year 2019-20 and to the best of our knowledge and belief:-

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

(ii) These statements together present a true and fair view of the Company‘s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iii) These are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company‘s General Code of Conduct as agreed to be followed by the Directors and Senior Management of the Company.

(iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to rectify these deficiencies.

(v) We have indicated to the Auditor any changes in Accounting Policies that may have been effected during the year, and that the same have been disclosed in the Notes to the Financial Statements; and

(vi) There was no instance of fraud of which we are aware nor there has been involvement of the Management or an employee having a significant role in the Company’s internal control system over financial reporting.

Sd/-
Mr. Masood Ahmad Najar
Chief Executive Officer (CEO)

Sd/-
Mr. Sanjeev Kumar Gupta
Chief Financial Officer (CFO)

Date: 24.06.2020
Place: New Delhi

Annexure – "D-2"

ARUN KUMAR GUPTA & ASSOCIATES
COMPANY SECRETARIES

1005, Roots Tower, Plot No. – 7,
District Centre, Laxmi Nagar,
Delhi – 110092
E-mail: csarungupta@gmail.com
Tel.: 011-45629812; Mobile: 9811835475

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE GUIDELINES OF DEPARTMENT OF PUBLIC ENTERPRISES (DPE), 2010

To
The Members of
Ircon Shivpuri GunaTollway Limited
C-4, District Centre, Saket,
New Delhi – 110017

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March, 2020, by Ircon Shivpuri Guna Tollway Limited, a Government Company under section 2(45) of the Companies Act, 2013 (corresponding sections 2(18) and 617 of the Companies Act, 1956), as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

We have studied the Report on Corporate Governance of the said Company as approved by its Board of Directors. We have also 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 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.

We state there has been no investor grievance during the year against the Company as per the records maintained by the Company.

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.

In our opinion and to the best of our information and on the basis of our review and according to the information and explanation 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), except *related to appointment of Independent Directors and submission of Quarterly Reports as per the provisions of DPE Corporate Governance Guidelines, 2010. However it is understood that as the Company is constituted as Special Purpose Vehicle (SPV) got exemption for appointing Independent Directors, submitting Quarterly report and other Compliance of Corporate Governance Guidelines issued by Department of Public Enterprises (DPE), vide its O.M. dated 11th July, 2019 and 8th July, 2014, which was also confirmed by its holding Company i.e. Ircon International Limited vide its e-mail dated 28th January, 2020. Subsequently Company revoked its Audit Committee & Nomination & Remuneration Committee w.e.f 05th February, 2020.*

It is further stated that the aforesaid opinion is based upon the submissions made by the Company with supporting documents and correspondence files and the secretarial and other statutory records maintained by the Company.

For ARUN KUMAR GUPTA &ASSOCIATES
COMPANY SECRETARIES

Sd/-
(Arun Kumar Gupta)
FCS - 5551
CP No- 5086
UDIN: - F005551B000579817

Place: New Delhi
Date: 14.08.2020

Annexure-E

SORABH JAIN AND ASSOCIATES
COMPANY SECRETARIES

248/2, Virender Nagar,
Lane No. 06, Janakpuri
New Delhi – 110058
E-mail: csjain5253@gmail.com
Tel.: 91-9811250907

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2020
[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 SHIVPURI GUNA TOLLWAY LIMITED
Plot No. C-4, District Centre Saket, New Delhi -110017.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **IRCON Shivpuri Guna Tollway 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 **IRCON Shivpuri Guna Tollway Limited** 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 March 31, 2020, generally 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 Shivpuri Guna Tollway Limited** for the financial year ended on March 31, 2020, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;**(Not Applicable to the Company)**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;**(Not Applicable to the Company)**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(Not Applicable to the Company during the period)**;

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 to the Company).**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;**(Not applicable to the Company).**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**(Not applicable to the Company).**

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**(Not Applicable to the Company).**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not applicable to the Company).**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;**(Not applicable to the Company).**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company)** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not applicable to the Company).**

vi. We further report that, having regards to the compliance system prevailing in the company, on examination of the documents provided by the company, the company has complied with the following laws applicable to the company:

a. The Building and other Construction workers (Regulation of Employment and Conditions of Services) Act, 1996;
b. Building and other Construction workers welfare Cess Act, 1996;
c. Environmental Laws, as applicable;
d. Labour Laws, as applicable.

We have also examined compliance with the Secretarial Standard I and Secretarial Standard II issued by the Institute of Company Secretaries of India (ICSI) were applicable to the Company for the period under review.

We further report:
That the Board of Directors of the Company is duly constituted with only Non-Executive Directors. 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.

That adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance 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. Decisions at the Board Meetings, as represented by the management, were taken unanimously.

That as per the explanations given to us and the representations made by the Management and relied upon by us 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.

That during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

For Sorabh Jain& Associates
Company Secretaries

Sd/-
Sorabh Jain
Proprietor
M. No. A45034
C.P. No. 16489
UDIN: A045034B000585741

Place: Delhi
Dated: 17.08.2020

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members
IRCON SHIVPURI GUNA TOLLWAY 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. Wherever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Since disruptions caused by Government imposed lockdown and social distancing norms being implemented in the country due to COVID-19, we have only been able to examine the records from the system, and further original / physical records and supporting documents could not be verified. The management has provided us an access to the scanned copies of the various documents through mail which further been removed from the cloud by the company.

For Sorabh Jain & Associates
Company Secretaries

Sd/-
Sorabh Jain
Proprietor
M. No. A45034
C.P. No. 16489
UDIN: A045034B000585741

Place: Delhi
Dated: 17.08.2020

Financial Statements (FY: 2019-20)

Tel: +91(11) 40455204, 40158400

AJAY K. JAIN & CO.
CHARTERED ACCOUNTANTS

D-119 Preet Vihar,
Delhi-110 092, India
Tel. : +91(11)22436981, 22544476
Mob. : 9810121292, 9810121293
E-mail : akjainco87@gmail.com
team.akjainco@gmail.com
ca_arpana@yahoo.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS,
IRCON SHIVPURI GUNA TOLLWAY LIMITED,
NEW DELHI

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s IRCON Shivpuri Guna Tollway Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2020, the Statement of Profit and Loss, the cash flow statement for the period then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone 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 standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and

Ajay K. Jain & Co. Chartered Accountants DELHI

Shareholder's Information, if applicable but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone 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 standalone 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 Standards and other accounting principles generally accepted in India including the Ind AS specified under section 133 of the act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

Ajay K. Jain & Co. DELHI Chartered Accountants

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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

We draw attention to Note No. 38 of Financial statements which describe the management's assessment of financial impact of the outbreak of Coronavirus (Covid-19) pandemic situation, for which a definitive assessment of the impact in the subsequent period is dependent on the circumstances as they evolve. Our opinion is not modified in this respect.

Ajay K. Jain & Co. Chartered Accountants DELHI

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 standalone 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. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   Section 197 shall not apply to a Government Company, vide notification no. GSR 463(E) dated 5th June, 2015.

h. With respect to the other matters to be included in the Auditor's Report in accordance with 143(3)(j), as amended by Companies (Audit & Auditors) Amendment Rules,2017, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which have impact on its financial position in its Ind AS Financial Statements.
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Ajay K. Jain & Co. DELHI Chartered Accountants

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

As required by Section 143 (5) of the Companies Act, 2013 and as per directions and sub directions issued by the Comptroller and Auditor General Of India, we report the compliance thereto vide "**Annexure –C**" attached to this report.

Date : 24/06/2020
Place : Delhi

FOR AJAY K. JAIN & CO.
(Chartered Accountants)
Reg No. :007118N

CA AJAY KUMAR JAIN
Partner, FCA
M.No. : 085994
UDIN : 20085994AAAACH1291

Ajay K. Jain & Co. CA DELHI Chartered Accountants

Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2020

ANNEXURE-A TO THE INDEPENDENTAUDITOR'S REPORT

(This is the annexure referred to in Para 1 of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

(1) In Respect of Fixed Assets

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management at year end ; No material discrepancies were noticed on such verification.

(c) The company does not hold any immovable property therefore this clause does not apply to the company.

(2) In Respect of Inventories

The company does not have inventory at the year end. Accordingly, the provisions of clause 3(ii) of the companies (Auditor's Report) Order, 2016 are not applicable to the company.

(3) Compliance under section 189 of The Companies Act, 2013

As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(a) Not Applicable

(b) Not Applicable

(c) Not Applicable

(4) Compliance under section 185 and 186 of The Companies Act , 2013

As informed, the company has not made transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits

As informed, the company has not accepted any Deposits during the year.

Ajay K. Jain & Co. * Chartered Accountants * DELHI

(6) Maintenance of cost records

We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(7) Deposit of Statutory Dues

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, gst, cess and any other statutory dues applicable to it.

(b) According to the records of the Company, there are no dues of Income tax, sales tax, service tax,gst and cess that have been not been deposited on account of any dispute.

(8) Repayment of Loans and Borrowings

As informed, the company has not defaulted in repayment of any loans or borrowings to the Ircon International Limited (IRCON). However, the Company does not have any loans or borrowings from any financial institution, banks or debenture holders.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

The company has not raised any money by way of initial public offer or further public offer {including debt instruments) and term loans. Hence this clause is not applicable.

(10) Reporting of Fraud During the Year

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

(11) Managerial Remuneration

In view of the Government notification No. GSR 463 (E) dated 05/06/2015 government companies are exempt from the applicability of section 197 of the companies act 2013. Accordingly, clause 3(xi) of the order is not applicable to the company.

(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

As per information and records available with us the company is not Nidhi Company.

(13) Related party compliance with Section 177 and 188 of companies Act – 2013

In our opinion and according to the information and explanations given to us, all transactions entered into with the Related Parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standard.

Ajay K. Jain & Co. DELHI Chartered Accountants

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

(15) Compliance under section 192 of Companies Act – 2013

The company has not entered into any non-cash transactions with directors or persons connected with it, Hence this clause is not applicable.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

Date : 24.6.2020
Place : Delhi

FOR AJAY K. JAIN & CO.
(Chartered Accountants)
Reg No. :007118N

Ajay K. Jain & Co. ★ Chartered Accountants ★ DELHI

CA. AJAY KUMAR JAIN
Partner, FCA
M.No. : 085994
UDIN : 20085994AAAACH1291

ANNEXURE-B TO THE AUDITOR'S REPORT
(This is the annexure referred to in Para 2(f) of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

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 Shivpuri Guna Tollway Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

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

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

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Ajay K. Jain & Co. Chartered Accountants DELHI

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company needs to strengthen the effective operations of internal financial controls system over financial reporting as at March 31, 2020 with respect to specific important issues which highlight that the implementation of financial controls are not truly in place. We emphasis on the following weakness observed

I. *As per the article no 32 of concession agreement with NHAI, "The concessionaire shall effect & maintain at its own cost, during the construction period & the operation period, such insurances for such maximum sums as may be required under the financing agreements, & the applicable laws, & such insurances as may be necessary & prudent in accordance with good industry practice………"*

-As pe rabove mentioned agreement IRCON SGTL shall be required to insure the project not just during the construction period but also during the operation period. The project remained uninsured during August 2018 to Dec 2019 (i.e., approx.16 Months, further it could have led to huge losses. Internal Control regarding policies and insurance need to be strengthened to avoid occurrence of such lapses in future.

II. *It is strongly recommended to place a suitable system of reconciliation of GST ITC in form GSTR2A with books of account from time to time, so as to ensure that all GST paid by IRCON SGTL is being duly deposited in Govt. account by the suppliers/service providers.*

Date : 24.06 .2020
Place : Delhi

FOR AJAY K. JAIN & CO.
(Chartered Accountants)
Reg No. :007118N

Ajay K. Jain & Co. Chartered Accountants DELHI

CA AJAY KUMAR JAIN
Partner, FCA
M.No. : 085994
UDIN : 20085994AAAACH1291

AJAY K. JAIN & CO.
CHARTERED ACCOUNTANTS

Tel: +91(11) 40455204, 40158460
D-119 Preet Vihar,
Delhi-110 092, India
Tel. : +91(11)22436981, 22544476
Mob. : 9810121292, 9810121293
E-mail : akjainco87@gmail.com
team.akjainco@gmail.com
ca_arpana@yahoo.com

Annexure-C

Compliance Certificate

We have conducted the audit of accounts of "IRCON SHIVPURI GUNA TOLLWAY LIMITED " for the year ended march 31, 2020 in accordance with the directions / sub directions issued by the Comptroller & Auditor General of India under section 143(5) of The Companies Act, 2013 and certify that we have complied with all the directions / sub directions issued to us given in Annexure –1.

Date : 24.06.2020
Place : Delhi

FOR AJAY K. JAIN & CO.
(Chartered Accountants)
Reg No. :007118N

Ajay K. Jain & Co. DELHI Chartered Accountants

CA. AJAY KUMAR JAIN
Partner, FCA
M.No. : 085994
UDIN : 20085994AAAACH1291

Tel: +91(11) 40455204, 40158460

AJAY K. JAIN & CO.
CHARTERED ACCOUNTANTS

D-119 Preet Vihar,
Delhi-110 092, India
Tel. : +91(11)22436981, 22544476
Mob. : 9810121292, 9810121293
E-mail : akjainco87@gmail.com
team.akjainco@gmail.com
ca_arpana@yahoo.com

Annexure-1

Directions indicating the areas to be examined by 2019-20 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

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.

- **As informed to us and on the basis of our examination, the company has in-house system to process all the accounting transactions through Tally Software system.**

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.

- **NO**

III. Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

- **Not Applicable**

Date : 24.06.2020
Place : Delhi

FOR AJAY K. JAIN & CO.
(Chartered Accountants)
Reg No. :007118N

Ajay K. Jain & Co. DELHI Chartered Accountants

CA. AJAY KUMAR JAIN
Partner, FCA
M. No. : 085994
UDIN : 20085994AAAA CH1291

ANNUAL REPORT
2019-2020

IRCON SHIVPURI GUNA TOLLWAY LIMITED

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
BALANCE SHEET As at 31st March 2020

ircon sgtl

(in Rs. crore)

	Particulars	Note No.	As at 31st March 2020		As at 31st March 2019	
I.	**ASSETS**					
1	**Non-current assets**					
	(a) Property, Plant and equipment	3	0.06		0.07	
	(b) Intangible Assets	4	650.88		692.41	
	(c) Intangible assets under development	4	-		-	
	(d) Financial Assets					
	(i) Others	5	0.15		0.11	
	(e) Deferred tax assets (Net)	6	-		0.07	
	Total Non-current assets			651.09		692.66
2	**Current assets**					
	(a) Financial Assets	7				
	(i) Trade Receivables	7.1	0.14		0.70	
	(ii) Cash and cash equivalents	7.2	3.32		9.61	
	(iii) Loans	7.3	-		-	
	(iv) Others	7.4	0.42		0.03	
	(b) Current Tax Assets (Net)	8	0.75		1.91	
	(c) Other current assets	9	0.34		0.43	
	Total Current assets			4.97		12.68
	Total Assets			**656.06**		**705.34**
II.	**EQUITY AND LIABILITIES**					
1	**Equity**					
	(a) Equity Share Capital	10	150.00		150.00	
	(b) Other Equity	11	(62.19)		(31.36)	
	Total Equity			87.81		118.64
2	**Liabilities**					
(i)	**Non-current liabilities**					
	(a) Financial Liabilities	12				
	(i) Borrowings	12.1	540.87		516.66	
	(ii) Trade Payables	12.2	-		-	
	- Dues of Micro Enterprises and Small Enterprises					
	- Total outstanding dues other than of Micro Enterprises and Small Enterprises					
	(iii) Other financial liabilities		-		-	
	(b) Provisions		-		-	
	(c) Deferred Tax Liabilities Net	6	-		-	
	(d) Other Non-Current Liabilities		-		-	
	Total Non-current liabilities			540.87		516.66
(ii)	**Current liabilities**					
	(a) Financial Liabilities	13				
	(i) Borrowings	13.1	23.28		44.93	
	(ii) Trade payables	13.2				
	- Dues of Micro Enterprises and Small Enterprises		-		-	
	- Total outstanding dues Other than of Micro Enterprises and Small Enterprises		1.08		20.83	
	(iii) Other financial liabilities	14	2.35		2.44	
	(b) Other current liabilities	15	0.67		1.83	
	(c) Provisions		-		-	
	(d) Current Tax liability (Net)		-		-	
	Total Current liabilities			27.38		70.03
	Total Equity and Liabilities			**656.06**		**705.34**
III.	Summary of Significant Accounting policies	1 - 2				
IV.	Notes forming part of financial statements	22-38				

As per our Report of even date attached

For Ajay K. Jain & Co
Chartered Accountants
FRN 007118N

(CA Ajay K. Jain)
Partner
M. No. 085994

Ajay K. Jain & Co. Chartered Accountants DELHI

For and on behalf of Ircon Shivpuri Guna Tollway Limited

(Shyam Lal Gupta)
Chairman
DIN- 07598920

(Surajit Dutta)
Director
DIN-06687032

(Rajendra Singh Yadav)
Director
DIN-07752915

(Masood Ahmad Hajar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 24-06-2020
UDIN-20085994AAAACH1291

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(in Rs. crore)

	Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I.	**Revenue :**			
	Revenue from operations	16	94.44	149.75
II.	Other income	17	0.44	0.43
III.	**Total Income (I + II)**		94.88	150.18
IV.	**Expenses:**			
	Project Expenses	18	29.58	101.60
	Employee benefits expenses	19	1.60	1.16
	Finance costs	20	52.84	43.49
	Depreciation, Amortisation and Impairment	21	41.55	34.40
	Other Expenses	18	0.04	0.06
	Total Expenses (IV).		125.61	180.71
V.	**Loss Before exceptional items and Tax (III - IV)**		(30.73)	(30.53)
VII.	Loss before tax (V + VI)		**(30.73)**	**(30.53)**
VIII.	Tax expenses:			
	(1) Current tax	6		
	- For the Period		-	-
	- For earlier years (net)		0.03	-
	(2) Deferred tax (net)		0.07	0.10
	Total Tax Expense		0.10	0.10
IX	**Loss for the period from continuing operation (VII - VIII)**		**(30.83)**	**(30.63)**
X	**Other Comprehensive Income**			
	A. (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will be reclassified to profit or loss		-	-
			-	-
XI	**Total Comprehensive Income for the period (IX +X) (Comprising profit/(Loss) and other comprehensive income for the year, net of tax)**		**(30.83)**	**(30.63)**
XII	Earnings Per Equity Share:			
	(For Continuing Operation)			
	(1) Basic (Absolute Value in INR)	30	(2.06)	(2.04)
	(2) Diluted (Absolute Value in INR)		(2.06)	(2.04)
	Face Value Per Equity Share		10.00	10.00

As per our Report of even date attached

For Ajay K. Jain & Co
Chartered Accountants
FRN 007118N

Ajay K. Jain & Co. DELHI Chartered Accountants

(CA Ajay K. Jain)
Partner
M. No. 085994

For and on behalf of Ircon Shivpuri Guna Tollway Limited

(Shyam Lal Gupta)
Chairman
DIN- 07598920

(Surajit Dutta)
Director
DIN-06687032

(Rajendra Singh Yadav)
Director
DIN-07752915

(Masood Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 24-06-2020
UDIN- 20085994AAAACH1291

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2020

(In Rs. crore)

Particulars		As at 31st March 2020		As at 31st March 2019	
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before taxation		(30.73)		(30.53)	
Adjustment for :					
Exchange difference on translation of Foreign Operations		-		-	
Actuarial gain / (loss) on remeasurement of defined benefit plan		-		-	
Depreciation, amortization and impairment		41.55		34.39	
Amortisation of premium on investment		-		-	
Impairment of Investment		-		-	
Finance Cost		52.81		43.46	
Profit on sale of assets (net)		-		-	
Profit on Sale of Investments		-		-	
Interest Income		(0.43)		(0.30)	
Dividend Income		-		-	
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		-		-	
Operating Profit before Current /Non-Current Assets and Lianilities	(1)		63.20		47.02
Adjustment for :					
Decrease / (Increase) in Trade Receivables / Financial Assets - Loans		0.55		17.01	
Decrease / (Increase) in Inventories		-		-	
Decrease / (Increase) in Other Assets & Financial Assets		(0.36)		(0.02)	
(Decrease) / Increase in Trade Payables		(19.74)		(4.10)	
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		(0.86)		1.38	
	(2)		(20.41)		14.27
Cash generated from operations	(1+2)		42.79		61.29
Income Tax Paid (net)			0.72		-
NET CASH FROM OPERATING ACTIVITIES	(A)		43.51		61.29
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment including CWIP			(0.01)		(0.08)
Purchase of Intangible Assets/ Intangible assets under development			-		(44.25)
Purchase / Proceeds of Investment Property			-		-
Sale of Property, Plant and Equipments & Intangible Assets			-		-
Interest Received			0.46		0.26
Dividend Received			-		-
Investment in Equity Shares			-		-
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)			-		-
NET CASH FROM INVESTING ACTIVITIES	(B)		0.45		(44.07)
CASH FLOW FROM FINANCING ACTIVITIES					
Loan From IRCON (Holding Co.)			18.00		35.77
Repayment of Loan to IRCON (Holding Co.)			(15.44)		
Final Dividend (including Dividend Distribution Tax) paid			-		-
Interim Dividend (including Dividend Distribution Tax) paid			-		-
Payment of Fee for increase in Authorised Capital			-		-
Borrowing Cost			(52.81)		(43.46)
Payment to DIPAM for Buy Back of Shares			-		-
NET CASH FROM FINANCING ACTIVITIES	(C)		(50.25)		(7.69)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)		-		-
NET DECREASE IN CASH & CASH EQUIVALENTS	(A+B+C+D)		(6.29)		9.53
CASH AND CASH EQUIVALENT (OPENING)	(E)		9.61		0.08
CASH AND CASH EQUIVALENT (CLOSING)	(F)		3.32		9.61
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(F - E)		(6.29)		9.53

Note : 1. The above Cash flow Statement has been prepared under the "Indirect Method"as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.

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 and on behalf of Ircon Shivpuri Guna Tollway Limited

For Ajay K. Jain & Co
Chartered Accountants
FRN 007118N

Ajay K. Jain & Co. DELHI Chartered Accountants

(CA Ajay K. Jain)
Partner
M. No. 085994

(Shyam Lal Gupta)
Chairman
DIN- 07598920

(Surajit Dutta)
Director
DIN-06687032

(Rajendra Singh Yadav)
Director
DIN-07752915

(Maedul Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 24-06-2020
UDIN-20085994AAAACH1291

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

A. Equity Share Capital
For the year ended 31st March, 2019

(Rs. in crore)

Particulars	Amount
Balance as at 01 April, 2018	150.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	150.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	150.00

B. Other Equity
For the year ended 31st March, 2019

(Rs. in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2018	-	(0.73)	-	-	(0.73)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1 April, 2018 (Restated)	-	(0.73)	-	-	(0.73)
Profit for the year	-	(30.63)	-	-	(30.63)
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	-	-	-	-
Foreign Exchange translation difference	-	-	-	-	-
Total Comprehensive Income for the period	-	(30.63)	-	-	(30.63)
Dividends Paid	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
Balance as at March 31, 2019	-	(31.36)	-	-	(31.36)

For the year ended 31st March, 2020

(Rs. in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2019	-	(31.36)	-	-	(31.36)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1 April, 2019 (Restated)	-	(31.36)	-	-	(31.36)
Profit for the year (Restated)	-	(30.83)	-	-	(30.83)
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	-	-	-	-
Foreign Exchange translation difference	-		-	-	-
Total Comprehensive Income for the period	-	(30.83)	-	-	(30.83)
Dividends Paid	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
Balance as at March 31, 2020	-	(62.19)	-	-	(62.19)

As per our Report of even date attached

For Ajay K. Jain & Co
Chartered Accountants
FRN 007118N

(CA Ajay K. Jain)
Partner
M. No. 085994

Place : New Delhi
Date : 24-01-2020

UDIN - 20085994AAAACH1291

For and on behalf of Board of Directors

(Shyam Lal Gupta)
Chairman
DIN- 07598920

(Surajit Dutta)
Director
DIN-06687032

(Rajendra Singh Yadav)
Director
DIN-07752915

(Masood Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Ajay K. Jain & Co. Chartered Accountants DELHI

1. Corporate Information

Ircon Shivpuri Guna Tollway Limited is a wholly owned subsidiary of Ircon International Limited domiciled in India and is incorporated under the provisions of companies Act 2013 applicable in India. The company came into existence when, Ircon International Limited has been awarded the work of 'Four Laning of Shivpuri - Guna Section of NH-3 from km 236.000 to km 332.100 (Stage - 1) in the state of Madhya Pradesh on DBFOT basis in accordance with the terms and conditions in the concession agreement by National Highway Authority of India (NHAI). In pursuance the provisions of 'Request for Proposal', the selected bidder 'Ircon International Limited' has formed a Special Purpose Vehicle (SPV) named Ircon Shivpuri Guna Tollway Limited (IrconSGTL) as wholly owned subsidiary and incorporated under Companies Act, 2013 on 12th May 2015. Accordingly, SPV has signed the Concession Agreement with NHAI on 15th June 2015. The concession period of 20 years commenced on 25th Jan 2016 i.e. Appointed Date notified by the National Highway Authority of India. The registered office of the company located at C-4, District Centre, Saket, and NewDelhi - 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.

2. Summary of Significant Policies

2.1 Basis of preparation

i. 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.

ii. 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

2.2 Current vs non-current classification

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

ii. 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

Ajay K. Jain & Co. Chartered Accountants DELHI

- Expected to be realized within twelve months after the reporting period,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

iii. The company classifies all other assets as non-current.

iv. 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

v. The company classifies all other liabilities as non-current.

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

vii. 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..

2.3 Statement of Cash Flow

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.

2.4. Property, Plant and Equipment

i. ***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

Purchase price, net of any trade discount and rebates.

(a) Borrowing cost if capitalization criteria is met.
(b) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use.
(c) 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.
(d) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Ajay K. Jain & Co. DELHI Chartered Accountants

Freehold land is carried at historical cost.

ii. ***Subsequent Measurement***

- Property, Plant and Equipment are subsequently measured at cost net of accumulated depreciation and accumulated 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.

iii. ***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 given as follows:

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

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

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

- 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.

iv. ***Derecognition***

Ajay K. Jain & Co. DELHI Chartered Accountants

- 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.

2.5 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.

2.6 Investment Properties

i. *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.

ii. *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.

Ajay K. Jain & Co. Chartered Accountants DELHI

iii. *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 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.

2.7 Intangible Assets

i. *Recognition and Initial Measurement*

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

ii. *Subsequent Measurement and Amortization*

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

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

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

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

iii. *Derecognition*

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

iv. Toll Collection Right (Toll Road Service Concession Arrangement)

Ajay K. Jain & Co. Chartered Accountants DELHI

a) In respect of Public to Private Arrangements (PPA), on a Built-Operate-Transfer (BOT) basis, Intangible Assets i.e. Right to collect toll/tariff are recognised when the company has been granted rights to charge a toll/tariff from the users of such public services and such rights do not confer an unconditional right on the Company to receive cash or another Financial Asset and when it is probable that future economic benefits associated with the rights will flow to the company and the cost of the asset can be measured reliably.

b) The company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.

c) Under the Concession Agreements, where the company has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" in accordance with Appendix C to Ind AS 115 - Service Concession Arrangements.

d) Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the company receives the completion certificate from the authority as specified in the Concession Agreement.

e) An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

f) Service Concession Arrangements that meet the definition of an Intangible Asset are recognised at cumulative construction cost. Till completion of construction of the project, such arrangements are recognised as "Intangible Assets Under Development" and are recognised at cumulative construction cost.

g) The estimated useful life of an intangible asset in a service concession arrangement is the period from where the company is able to charge the public for use of infrastructure to the end of the concession period.

h) Toll collection right is amortized using straight line method on pro-rata basis from the date of addition or from the date when the right brought in to service to the expiry of concession period.

i) Amortization methods and useful lives are reviewed at each Balance Sheet date, with the effect of change in estimate accounted for on a prospective basis.

j) The carrying value of intangible asset is reviewed for impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable.

Ajay K. Jain & Co.
Chartered Accountants
DELHI

2.8 Cash and cash Equivalent

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.

2.9 Provisions, contingent assets and contingent liabilities

i. Provisions

a) 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.

b) 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.

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

ii. Onerous contracts

a) 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.

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

iii. Contingent liabilities

a) 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

Ajay K. Jain & Co. Chartered Accountants DELHI

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.

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

iv. Contingent assets

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

2.10 Revenue Recognition

i. The Company recognizes and measures revenue from construction in accordance with *Ind AS -115*"Revenue from Contracts with Customers".

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

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

iv. 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.

v. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using the expected value or most likely amount method.

vi. 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.

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

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity perform.
- The entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Ajay K. Jain & Co. Chartered Accountants DELHI

viii. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress, using percentage completion method, towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

ix. 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.

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

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

xii. **Contract balances**

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

- **Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

- **Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

xiii. **Revenue from toll collection**

Ajay K. Jain & Co. DELHI Chartered Accountants

The Company recognizes toll revenue as and when it collects at Transaction Price i.e usage fee. Which is exclusive of amounts collected on behalf of third parties.

xiv. Other income

- Dividend income is recognized when the right to receive payment is established.
- Interest income is recognized using Effective Interest rate method.
- Miscellaneous income is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract.

2.11 Impairment of non-financial assets

i. 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.

ii. 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.

iii. 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.

2.12 Inventories

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

ii. 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.

iii. 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

Ajay K. Jain & Co.
DELHI
Chartered Accountants

completion of the contract as at the end of reporting period. Site mobilization expenditure to the extent not written off valued at cost.

iv. 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.

v. Loose tools are expensed in the period of purchase.

2.13 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 of time 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.

2.14 Employee Benefits

i. Short Term Employee Benefits

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

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

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

2.15 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.

i. 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.

Ajay K. Jain & Co. DELHI Chartered Accountants

A. 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.

B. 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.

C. 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

Ajay K. Jain & Co. DELHI Chartered Accountants

exemption to leases of office equipment that are considered to be low value. The Company furthe also treats those leases as low value, whose lease term may be over one year, but whose effect of non categorizing them as right to use assets and charging them over the lease term vis-à-vis accounting them as an expense on a year to year basis is not material. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- 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.

ii. 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.

2.16 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.

2.17 Deferred tax

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

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

Ajay K. Jain & Co. DELHI Chartered Accountants

- 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.

- Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

2.18 Operating Segment

Operating segments are reported in the manner consistent with the internal reporting provided by the chief operating decision maker (CODM). Company has identified only one reportable segment.

2.19 Earnings per Share

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

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

2.20 Foreign Currencies

i. 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.

ii. 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.

Ajay K. Jain & Co. ★ DELHI ★ Chartered Accountants

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

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

2.21 Fair value measurement

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

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

   a) In the principal market for the asset or liability, or

   b) 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.

iii. 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.

iv. 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.

v. 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.

vi. 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:

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

vii. 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

Ajay K. Jain & Co. Chartered Accountants DELHI

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.

viii. 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.

ix. 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.

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

2.22 Dividend to equity holders

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 is recognized directly in equity.

2.23 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.

i. Financial assets

a) 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.

b) Subsequent measurement

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

A. 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.

Ajay K. Jain & Co. Chartered Accountants DELHI

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

B. 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.

C. Debt instruments at FVTPL

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

D. 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.

Ajay K. Jain & Co. Chartered Accountants DELHI

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

E. **Impairment of financial assets**

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

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

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

- The company follows 'simplified approach' for recognition of impairment loss allowance on:
    a. Trade receivables or contract revenue receivables; and
    b. 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:

Ajay K. Jain & Co. Chartered Accountants DELHI

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

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

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

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

F. __Derecognition of financial assets__

a) 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.

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

ii. Financial liabilities

a) 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.

b) Subsequent measurement

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

a. Financial liabilities at fair value through profit or loss.

The company has not designated any financial liabilities at FVTPL.

b. Financial liabilities at amortized cost

Ajay K. Jain & Co. Chartered Accountants DELHI

A. **Loans, borrowings, trade payables and other financial liabilities**

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

B. **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.

iii. **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.

iv. **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.

v. **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

Ajay K. Jain & Co. * DELHI * Chartered Accountants and settle the liabilities simultaneously.

2.24 Non - current asset held for sale

a) 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.

b) 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.

2.25 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.

2.26 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 thecompany 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.

Ajay K. Jain & Co. Chartered Accountants DELHI

- 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.

i. **Allowances for uncollected trade receivables**

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

ii. **Contingencies**

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

iii. **Impairment of financial assets**

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

iv. **Taxes**

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

v. **Impairment of non-financial assets**

Ajay K. Jain & Co. DELHI Chartered Accountants

- 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.

vi. **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.

vii. **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.

viii. **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).

ix. **Revenue recognition**

- The company's revenue recognition policy, which is set out in Note 2.10, is central to how the company values the work it has carried out in each financial year.

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

- Estimates are also required with respect to the determination of stage of completion and estimation of project completion date:

Ajay K. Jain & Co. Chartered Accountants DELHI

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

Ajay K. Jain & Co. Chartered Accountants DELHI

3 **Property, Plant and Equipment**

(in Rs. crore)

	Computers	Mobile Handset	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Gross Carrying Amount (At Cost)							
At 31 March 2018	0.01	-	-	-	-	-	0.01
Additions	0.03	-	0.02	0.02	-	-	0.07
Disposals/Adjustments	-	-	-	-	-	-	-
Transfer to Right-to-use Assets							
Transfer to Asset held for sale							
Exchange (Gain) / Loss	-	-	-	-	-	-	-
At 31 March 2019	0.04	-	0.02	0.02	-	-	0.08
Transfer to Right-to-use Assets							
At 1 April 2019	0.04	-	0.02	0.02	-	-	0.08
Additions	-	-	0.01	-	-	-	0.01
Disposals/Adjustments	-	-	-	-	-	-	-
Transfer to Asset held for sale							
Exchange (Gain) / Loss	-	-	-	-	-	-	-
At 31st March 2020	0.08	-	0.05	0.04	-	-	0.09
Depreciation and impairment							
At 31 March 2018	-	-	-	-	-	-	-
Depreciation charge for the year	0.01	-	0.003	0.002	-	-	0.02
Impairment	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-
Transfer to Right-to-use Assets							
Transfer to Asset held for sale							
Exchange (Gain) / Loss	-	-	-	-	-	-	-
At 31 March 2019	0.01	-	0.00	0.00	-	-	0.02
Transfer to Right-to-use Assets							
At 1 April 2019	0.01	-	0.00	0.00	-	-	0.02
Depreciation charge for the year	0.01	-	0.00	0.00	-	-	0.01
Impairment	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-
At 31st March 2020	0.03	-	0.01	0.01	-	-	0.03
Net book value							
At 31st March 2020	0.05	-	0.04	0.03	-	-	0.06
At 31 March 2019	0.03	-	0.02	0.02	-	-	0.07
At 31 March 2018	0.01	-	-	-	-	-	0.01

Foot Notes:-

i) Fixed assets held for disposal included in sales / adjustment column and transferred to other current assets at Net Book value: -

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current	Segment	As at 31 March 2020		As at 31 March 2019	
					Gross Block	Net Block	Gross Block	Net Block
					-			

ii) Depreciation and impairment on Property, Plant & Equipment for the year debited to Statement of Profit and Loss are as follows:-

Description	As at 31st March 2020	As at 31st March 2019
Depreciation on Tangible Assets	0.02	0.02
Impairment Loss	-	-
Total	0.02	0.02

Ajay K. Jain & Co. * Chartered Accountants * DELHI

4 Intangible Assets

Particulars	Intangible assets under development (in Rs. Crore)	Intangible Asset (Toll Road) (Refer Note 24) (in Rs. Crore)	Other Intangibles (Software) (in Rs. Crore)
Gross Block			
Opening balance at 1 April 2018	**682.53**		-
Addition during the year	44.25	726.78	-
Capitalisation during the year	(726.78)	-	-
Disposals / adjustment during the year	-		-
Closing balance at 31 March 2019	-	**726.78**	-
Addition during the year	-	-	-
Disposals / adjustment during the year	-	-	-
Closing balance at 31st March 2020	-	**726.78**	-
Amortisation and Impairment			
Closing balance at 31 March 2018	-		-
Amortisation during the year	-	34.37	-
Sales / adjustment during the year	-	-	-
Closing balance at 31 March 2019	-	**34.37**	-
Amortisation during the year	-	41.52	-
Sales / adjustment during the year	-	-	-
Closing balance at 31st March 2020	-	**75.89**	-
Net book value			
At 31st March 2020	-	**650.89**	-
At 31 March 2019	-	**692.41**	-

Ajay K. Jain & Co. DELHI Chartered Accountants

5 **Non-Current Assets - Other Financial Assets**

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
a) Considered Good : Unsecured		
Security Deposits		
- Government Departments	-	-
- Others	0.15	0.11
Total - Other Financial Assets	**0.15**	**0.11**
b) Considered Doubtful		
Total - Other Financial Assets - Doubtful	-	-
Grand Total - Other Financial Assets	**0.15**	**0.11**

Ajay K. Jain & Co.
DELHI
Chartered Accountants

6 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 2020 and 31 March 2019 are :

(Rs. in crore)

S.No.	Particulars	For the Year ended 31st March 2020	31st March 2019
1	**Profit and Loss Section**		
	Current income tax :	-	-
	Current income tax charge	0.03	-
	Adjustment in respect of current tax of previous year		
	Deferred tax :	0.07	0.10
	Relating to origination and reversal of temporary differences	**0.10**	**0.10**
	Income tax expense reported in the Profit and Loss section		
2	**Other Comprehensive Income (OCI) Section**		
	Income tax related to items recognised in OCI during the year:	-	-
	Net loss/(gain) on remeasurements of defined benefit plans	-	-
	Net loss/(gain) on foreign operation translation	-	-
	Income tax expense reported in the OCI section		

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

(Rs. in crore)

S.No.	Particulars	For the Year ended 31st March 2020	31st March 2019
1	Accounting profit before income tax	(30.73)	(30.53)
2	Corporate tax rate as per Income tax Act, 1961	25.168%	26.000%
3	Tax on Accounting profit (3) = (1) * (2)	-	-
4	Effect of Tax Adjustments:	0.03	0.10
(i)	Adjustments in respect of current income tax of previous years	-	-
(ii)	Utilisation of previously unrecognised tax losses	-	-
(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	0.07	-
(vi)	Tax effect of various other items	**0.10**	**0.10**
5	**Income tax expense reported in the Statement of Profit and Loss**		
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 31st March 2020	31st March 2019	Statement of profit or loss 31st March 2020	31st March 2019
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation ^^	(60.92)	-	(60.92)	-
2	Provisions	60.92	0.07	60.85	(0.10)
3	Others	-	-	-	-
4	Items disallowed u/s 43B of Income Tax Act, 1961				
5	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	-	-	-	-
6	Fair valuation of financial instruments	-	-	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
	Net deferred tax assets/(liabilities)	-	**0.07**	**(0.07)**	**(0.10)**

^^ Deferred Tax Assets arising on account of Business losses has been restricted to the Deferred Tax Liability arising from PPE and Intangible Assets as a matter of conservatism.

Deferred Tax asset of Rs 15.54 Crores has not been recognised as a matter of prudence, in line with Accounting policy 2.17

(d) Reflected in the balance sheet as follows:

(Rs. in crore)

S.No.	Particulars	31st March 2020	31st March 2019
1	Deferred tax assets	60.92	0.07
2	Deferred tax liability	(60.92)	-
	Deferred Tax Asset/(Liabilities) (Net)	-	**0.07**

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 31 March 2020

S.No.	Particulars	Balance As at 1st April 2019 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March, 2020 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	-	(60.92)	-	(60.92)
2	Provisions	0.07	60.85	-	60.92
3	Others	-	-	-	-
4	Items disallowed u/s 43B of Income Tax Act, 1961				
5	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	-	-	-	-
6	Fair valuation of financial instruments	-	-	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
	Net deferred tax assets/(liabilities)	0.07	(0.07)	-	-

(Rs. in crore)

As at 31 March 2019

S.No.	Particulars	Balance As at 1st April 2018 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March, 2019 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	0.00	-	-	-
2	Provisions	0.17	(0.10)	-	0.07
3	Others	0.00	0.00	-	-
4	Items disallowed u/s 43B of Income Tax Act, 1961				
5	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	0.00	-	-	-
6	Fair valuation of financial instruments	0.00	0.00	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	0.00	0.00	-	-
	Net deferred tax assets/(liabilities)	0.17	-0.10	-	0.07

7.1 Current Financial Assets - Trade Receivables

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Considered Good : Unsecured		
- Trade receivables	0.14	0.70
(Refer Note34C.)		
Considered Doubtful		
- Trade receivables	-	-
Less : Impairment allowances for doubtful debts	-	-
Total	**0.14**	**0.70**

Ajay K. Jain & Co.
DELHI
Chartered Accountants

7.2 Current Financial Assets - Cash and Cash equivalents

(in Rs. crore)

Particulars	Foot Note	31 March 2020	31 March 2019
Cash on hand		-	-
Cheques/drafts in hand		-	-
Remittance in Transit		-	-
*Balances with banks:**			
– On current accounts		0.02	0.01
– Flexi Accounts		3.30	6.10
– Deposits with original maturity of less than 3 months		-	3.50
		3.32	**9.61**

** The above balance pertain to ESCROW A/C which are year mark fund as per concession agreement entered with NHAI*

Current Financial Assets - Other Bank Balances

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Other Bank Balances		
– Deposits with original maturity of more than 3 months but less than 12 months	-	-
– Fixed Deposits received from Contractors (shown under other financial assets)	-	-
	-	-

Ajay K. Jain & Co. DELHI Chartered Accountants

7.3 Current Financial Assets - Loans

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
A. Considered Good : Secured		
Staff Loans and Advances	-	-
Total (A) - Secured Loans	-	-
B. Unsecured, considered good		
(i) Loans to Related Parties:		
(ii) Others:		
Staff Loans & Advances	-	-
Total (B) - Considered Good : Unsecured (i) + (ii)	-	-
Grand Total	-	-

7.4 Current Assets - Other Financial Assets

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Considered Good : Unsecured		
Interest Accrued on :		
- Deposits with Banks/Flexi Deposit	0.01	0.03
Other Recoverable ^^	0.41	-
Total - Other Financial Assets - Good	**0.42**	**0.03**
c) Considered Doubtful		
Security Deposits		
- Government Departments	-	-
- Others	-	-
Interest Accrued on Advances to Staff	-	-
Earnest Money Deposit	-	-
- Retention Money with client	-	-
- Money Withheld by Client	-	-
Others	-	-
Less : Impairment allowance for doubtful financial assets (others)	-	-
Total - Other Financial Assets - Doubtful	-	-
Grand Total - Other Financial Others	**0.42**	**0.03**

^^= Other recoverables includes Rs 0.41 Crores from NHAI on account of additional concesssion fees paid in March 2020 due to COVID 19 Lockdown, which is recoverable in the subsequent months from NHAI

Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are Rs. Nil (Rs. Nil).

Details of amount due from Directors:

(in Rs. crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total		

Ajay K. Jain & Co. ★ DELHI ★ Chartered Accountants

8 **Current Assets - Current Tax Assets (Net)**

(in Rs. crore)

Particulars	Foot Note	31 March 2020	31 March 2019
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)		0.75	1.91
Current tax Assets (Net)		**0.75**	**1.91**

Ajay K. Jain & Co. ★ DELHI ★ Chartered Accountants

ifconsgtl

9 Other Current Assets

(in Rs. crore)

Particulars	Foot Note	31 March 2020	31 March 2019
Considered Good : Unsecured			
a) Advances Other than Capital Advances			
Advances to Contractors against material and machinery		-	-
Advances to Contractors, Suppliers and Others		-	-
Advance Recoverable from:			
- Sales Tax (including TDS)		-	-
Less : Deposited under Protest		-	-
- Value Added Tax		-	0.43
- Goods & Services Tax		-	-
- Service Tax input credit		-	-
Security Deposits			
Interest Accrued on:			
Deposits & Advances with:			
- Contractors, Suppliers & Others		-	-
Assets held for disposal		-	-
Prepaid Expenses		0.34	-
Fair valuation adjustment		-	-
Lease Equalisation		-	-
Total - Others		**0.34**	**0.43**
c) Considered Doubtful			
Advances to Contractors, Suppliers and Others		-	-
Sales Tax (including TDS)		-	-
Others		-	-
Value Added Tax		-	-
Less: Impairment allowance for doubtful advances		-	-
Total - Considered Doubtful		**-**	**-**
Grand Total		**0.34**	**0.43**

Ajay K. Jain & Co.
DELHI
Chartered Accountants

10 **Equity Share capital**

(in Rs. crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Authorised share capital		
15,00,00,000 Equity shares of Rs.10 each	150.00	150.00
	150.00	150.00
Issued/Subscribed and Paid up Capital		
15,00,00,000 Equity shares of Rs 10 each-fully paid	150.00	150.00
	150.00	150.00

Details of shareholders holding in the company

Name of the shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Ircon International Limited- Holding Company (IRCON)	15,00,00,000	**100.00**	15,00,00,000	**100.00**
	-	-	-	-
	-	-	-	-
	-		-	
Total	**15,00,00,000**	**100**	**15,00,00,000**	**100**

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	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	15,00,00,000	150.00	15,00,00,000	150.00
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	**15,00,00,000**	**150.00**	**15,00,00,000**	**150.00**

Ajay K. Jain & Co. * Chartered Accountants * DELHI

11 Other Equity

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Retained Earnings	(62.19)	(31.36)
General Reserve	-	-
Capital Redemption Reserve	-	-
Other Comprehensive Income	-	-
Total	**(62.19)**	**(31.36)**
Movement as per below:		
(a) Retained Earnings		
Opening Balance	(31.36)	(0.73)
Add: Transfer from surplus in statement of profit and loss	(30.83)	(30.63)
Closing Balance	**(62.19)**	**(31.36)**
(b) General Reserve		
Opening Balance	-	-
Closing Balance	-	-
(c) Capital Redemption Reserve		
Opening Balance	-	-
Add: Transfer for Buy Back of Equity Shares	-	-
Closing Balance	-	-
(d) Other comprehensive income		
Opening Balance	-	-
Foreign Currency Translation (net of tax)	-	-
Closing Balance	-	-
Grand Total	**(62.19)**	**(31.36)**

Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(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.

(c) Items of Other Comprehensive Income

Other Comprehensive Income represents balance arising on account of exchange difference on translation of foreign operations.

Ajay K. Jain & Co. Chartered Accountants DELHI

12 Non-Current Liabilities - Financial Liabilities

12.1 Non-Current Financial Liabilities - Borrowings

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Secured:		
(a) Loan from Holding Company(Ircon International Limited) (Refer note below and 13.1)	540.87	516.66
	-	-
Total	**540.87**	**516.66**

Notes :

(a) **Terms & Conditions**

i) A Term Loan of Rs. 722.11 crore has been santioned from the its holding company Ircon International Limited for meeting the total project cost as per the terms and condition of the agreement, out of which Rs.579.59 crore has been disbursed by Ircon International Limited up to 31st March 2020 and Rs 15.44 Crores has been repaid during the year. Rs 540.87 Crores is classified above and balance under Current Financial Liability.

ii) Interest Terms

The Applicable Interest rate is base rate of SBI plus spread of 0.5%. With effect from 01.04.2020 the Interest rate has been modified SBI or PNB 1 year Fixed deposit Rate whichever is lower + 1%.

iii) Terms of Repayment

Term Loan shall be repaid in 12.5 years starting from the expiry of 12 months from COD.

iv) Terms of security for loan are as follows:

(i) a first priority mortgage/ charge over all borrowers immovable properties, and hypothecation of movable properties (including but not limited to all current/non current assets) both present and future.

(ii) a first priority charge over all fees. Revenues and Receivables of the borrower form the project assets or otherwise.

(iii) a first priority charge over assignment of all project agreements. all guarantees, performance gurantees or bonds, letter of credit that may be provided by any party to any project agreement in favour of the borrower and clearance and all rights titles, approvals, permits, clearances and interest and the borrower right, title, interest, benefit and claim in, to or under the project agreement and clearance.

(iv) a first priority charge over assignment of all the borrowers right, title interest, benefit and claim of the borrower in, to or under the insurance contracts, insurance policies and the insurance proceeds.

(v) a first priority/ charge/ assignment of all the intangible assets of the borrower including but not limited to goodwill. undertakings and uncalled capital both present and future

(vi) a first priority charge over all bank accounts of the borrower including without limitation, the escrow accounts (or any account in substitution thereof) and all funds from time to time deposited therein and in all permitted investments or other securities representing all amounts credited to escrow account, provided that the above (i) to (v) will exclude projects assets.

12.2 Non-Current Financial Liabilities - Trade Payables

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Micro, Small & Medium Enterprises	-	-
Other than Micro, Small & Medium Enterprises	-	-

Notes:

a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note 36.

b) Terms and Conditions and other balances with related parties are disclosed in Note 29.

Ajay K. Jain & Co. ★ DELHI ★ Chartered Accountants

13 Current Liabilities - Financial Liabilities

13.1 Current Financial Liabilities - Borrowings

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Loan From IRCON- Current	23.28	44.93
Total	**23.28**	**44.93**

13.2 Current Financial Liabilities - Trade Payables

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Micro, Small & Medium Enterprises	-	-
Other than Micro, Small & Medium Enterprises		
(a) Contractor & Suppliers	-	1.86
(b) Related Parties	1.08	18.97
Total	**1.08**	**20.83**

Notes:

a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note 36.

b) Terms and Conditions and other balances with related parties are disclosed in Note 29.

Ajay K. Jain & Co. DELHI Chartered Accountants

14 Current Liabilities - Other Financial Liabilities

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Gratuity Payable	-	-
Deposits, Retention money and Money Withheld	0.47	0.83
Financial Guarantee Contract	-	-
Amount Payable to Client	-	1.51
Interest Payable on Advance from Client	-	-
Other Payables (including Staff Payable)	1.88	0.10
Lease Liability	-	-
Total	**2.35**	**2.44**

15 Other Current Liabilities

(in Rs. crore)

Particulars	31 March 2020	31 March 2019
Statutory dues	0.67	1.83
Total	**0.67**	**1.83**

Notes:

a) Statutory dues includes liability for Goods and Service Tax (GST), TDS, Provident Fund and other statutory dues.

Ajay K. Jain & Co. Chartered Accountants DELHI

16 Revenue from operations

(in Rs. crore)

	For the year ended 31st March 2020	For the year ended 31st March 2019
Construction Contract revenue	-	32.50
Revenue from Toll Operations (Refer Note 24 & 34)	- 94.17	72.88
- Other Operating Revenue	0.27	44.37
Total	**94.44**	**149.75**

17 Other Income

		For the year ended 31st March 2020		For the year ended 31st March 2019
Interest Income :				
Interest on refund of income-tax		0.14		-
Interest on other advances/Security Deposits		-		-
Bank Interest Gross	0.29		0.30	
Less:- Interest passed to clients	-	0.29	-	0.30
Others :				
Miscellaneous Income		0.01		0.13
Less:- Exchange Fluctuation Loss	-	-	-	-
Less:-Dividend passed to clients	-	-	-	-
Total		**0.44**		**0.43**

Ajay K. Jain & Co. DELHI Chartered Accountants

18 **Project and Other Expenses**

(in Rs. crore)

Particulars	Foot Note	Project Expenses: For the year ended 31st March 2020	Project Expenses: For the year ended 31st March 2019	Other Expenses: For the year ended 31st March 2020	Other Expenses: For the year ended 31st March 2019
Work Expenses		(0.17)	76.85	-	-
Concession fees to NHAI		20.80	16.83		
Toll operation and maintenance expenses		7.17	6.56	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		0.75	0.26	-	-
Interest and Penalty on VAT		0.002	-	-	-
Hire charges of machinery		-	-	-	-
Exchange Fluctuation Loss				-	-
Less:- Exchange Fluctuation Gain				-	-
Net Exchange Fluctuation Loss		-	-	-	-
Rent - Non-residential		0.04	0.04	-	-
Rates and Taxes		-	0.33	-	-
Vehicle Operation and Maintenance		-	0.03	-	-
Repairs and Maintenance					
- Building		-	-	-	-
- Office and Others		0.01	0.01	-	-
Power, Electricity and Water charges		0.70	0.51	-	-
Insurance		0.13	0.08	-	-
Travelling & conveyance		0.02	0.02	-	-
Printing & stationery		0.01	0.01	-	-
Postage, telephone & telex		-	-	-	-
Legal & Professional charges		0.11	0.07	-	-
Security services		-	-	-	-
Business promotion		-	-	-	-
Write-off of :					
- Bad debts		-	-	-	-
- Bad advances		-	-	-	-
- Bad assets		-	-	-	-
Loss on sale of Assets/Stores		-	-	-	-
Amortisation of premium paid on Invest.		-	-	-	-
Director sitting fee		-	-	-	-
Donation		-	-	-	-
Auditors remuneration	(i)	-	-	0.02	0.01
Advertisement & publicity		-	-	0.02	0.05
Training & Recruitment		-	-	-	-
Research & Development Expenses		-	-	-	-
Sustainable Development		-	-	-	-
Corporate social responsibility (Refer Note 37)		-	-	-	-
Miscellaneous expenses		0.01	-	-	-
Corporate Overheads		-	-	-	-
Provisions (Addition - Write back) (Refer Note 16)		-	-	-	-
Provisions Utilised		-	-	-	-
Total		**29.58**	**101.60**	**0.04**	**0.06**

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Audit Fee - current year	0.01	0.01
(b) Tax Audit Fees - current year	-	-
(c) Fee for quarterly limited review	-	-
(c) Certification Fees	-	-
(d) Travelling & out of pocket expenses:	-	-
- Travelling Expenses	-	-
- Out of Pocket Expenses	-	-
Total	**0.01**	**0.01**

Ajay K. Jain & Co. DELHI Chartered Accountants

19 Employee Remuneration and Benefits

(in Rs. crore)

Particulars	Foot Note	For the year ended 31st March 2020			For the year ended 31st March 2019		
		Operating	Other (Administrative)	Total	Operating	Other (Administrative)	Total
Salaries, wages and bonus		1.23	0.12	1.35	0.77	0.20	0.97
Contribution to provident and other funds		0.16	-	0.16	0.11	-	0.11
Foreign service contribution		-	-	-	-	-	-
Retirement Benefits		0.09	-	0.09	0.08	-	0.08
Staff Welfare		-	-	-	-	-	-
Total		**1.48**	**0.12**	**1.60**	**0.96**	**0.20**	**1.16**

20 Finance Cost

(in Rs. crore)

Particulars	Foot Note	For the year ended 31st March 2020		For the year ended 31st March 2019	
Interest Expense		-	52.81	-	43.46
Other Borrowing Cost					
- Bank Guarantee & Other Charges			0.03		0.03
Interest Cost on Lease Liability			-		-
Total			**52.84**		**43.49**

21 Depreciation, amortization and impairment

(in Rs. crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Property, Plant and equipment	0.02	0.02
Intangible Assets	41.53	34.38
Investment Property	-	-
Impairment of Assets	-	-
Total	**41.55**	**34.40**

Ajay K. Jain & Co. DELHI Chartered Accountants

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

Note:-22
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 31st March 2020 are as follows: *

(in Rs. crore)

Particulars	Carrying Value	Fair Value Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
(ii) Loans	-	-	-	-
(iii) Trade Receivables	0.14	-	-	-
(iv) Cash and Cash Equivalents	3.32	-	-	-
(v) Other Bank Balances	-	-	-	-
(vi) Other Financial Assets***	0.57	-	-	-
Total	**4.03**	-	-	-

(in Rs. crore)

Particulars	Carrying Value	Fair Value Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	564.15	-	-	-
(ii) Trade Payables	1.08	-	-	-
(iii) Other Financial Liabilities***	2.35	-	-	-
Total	**567.58**			

b) The carrying values and fair values of financial instruments by categories as at 31st March 2019 are as follows: *

(in Rs. crore)

Particulars	Carrying Value	Fair Value Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
(ii) Loans	-	-	-	-
(iii) Trade Receivables	0.69	-	-	-
(iv) Cash and Cash Equivalents	9.61	-	-	-
(v) Other Bank Balances	-	-	-	-
(vi) Other Financial Assets***	0.15	-	-	-
Total	**10.45**	-	-	-

(in Rs. crore)

Particulars	Carrying Value	Fair Value Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	561.59	-	-	-
(ii) Trade Payables	20.83	-	-	-
(iii) Other Financial Liabilities***	2.45	-	-	-
Total	**584.87**			

The fair values of the financial assets and financial liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the financial year 2018-19. 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.

ii) The carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements are at reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iii) The carrying amounts of current financial assets and current financial liabilities approximate their fair value mainly due to their short term nature.

* During the financial year 2019-20 and 2018-19, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

*** Other financial assets and other financial liabilities includes certain items which are recognized at transaction price, as the effect of measuring these at fair value is immaterial.

B. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets include loans to related parties, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds investment in mutual funds and tax free bonds. 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 does not operate internationally and Foreign exchange risk is nil or insignificant.

(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. Financial instruments affected by interest rate risk includes deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments. Also, the Company does not have any interest risk on loans / borrowings as it bears fixed rate of interest.

Ajay K. Jain & Co. Chartered Accountants DELHI

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. currently company has dealt with NHAI (National Highway Authority of India) only therefore company have minimal credit risk.

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.

The following table gives details in respect of revenues generated from top three revenue segments of construction revenue, construction under SCA and Toll receipts

(in Rs. crore)

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
Revenue from the Top three revenue streams	94.44	149.74
	94.44	149.74

Exposure to Credit Risk

(in Rs. crore)

Particulars	31-Mar-20	31-Mar-19
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Non Current Investments	-	-
Non Current Loans	-	-
Other Non Current Financial Assets	0.15	0.11
Current Investments	-	-
Cash and Cash Equivalents	3.32	9.61
Other Bank Balances	-	-
Current Loans	0.00	-
Other Current Financial Assets	0.42	0.03
Financial Assets for which allowance is measured using Simplified Approach		
Trade Receivables	0.14	0.69
Contract Assets	-	-

Summary of change in loss allowances measured using Simplified approach

Particulars	31-Mar-20	31-Mar-19
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written-off	-	-
Closing Allowances	-	-

During the year, the Company has recognised loss allowance of Rs.NIL (31 March, 2019 : Rs. Nil).

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

Particulars	31-Mar-20	31-Mar-19
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written-off	-	-
(Exchange Gain) / Loss	-	-
Closing Allowances	-	-

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.NIL.

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 government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss.

The table below provides details regarding the significant financial liabilities as at 31st March 2020 and 31st March 2019

(in Rs. crore)

Particulars	As on 31st March 2020		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	2.56	35.77	525.82
Trade payables	1.08	-	-
Other financial liabilities	2.35	-	-

(Rs. in crore)

Particulars	As on 31st March 2019		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	35.77	363.17	162.65
Trade payables	20.83	-	-
Other financial liabilities	2.44	-	-

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.

C. Capital Management

The objective of the Company is to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stakeholders. Further, company manages its capital structure to make adjustments in the light of changes in economic conditions and requirements of the financial covenants.

Company has taken a term loan during the FY 2019-20 of Rs 18,00,00,000.00 (Cumulative till FY 2019-20 Rs 564,15,00,000) from its holding company to finance its project.

Debt Equity Ratio :-

(in Rs. crore)

Particulars	31-Mar-20	31-Mar-19
Borrowings (Note No. 12.1 & 13.1)	540.87	516.66
Long Term Debt	**540.87**	**516.66**
Equity (Note No. 10)	150.00	150.00
Other Equity (Note No. 11)	(62.19)	(31.36)
Total Equity	**87.81**	**118.64**
Debt Equity Ratio	**6.16**	**4.35**

Ajay K. Jain & Co. DELHI Chartered Accountants

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

Note:- 23 Details of Related Party Transactions during the year

(Amt in Crore)

Name of Related Party	Particular	Transactions (Rs.)		Outstanding Amount	
		During the Period upto 31-03-2020	During the Period upto 31-03-2019	As at 31st March 2020	As at 31st March 2019
Ircon International Limited	Investment in Equity	-	-	150.00	150.00
	Loans	2.56	(9.16)	564.15	561.59
	Other Payables	(17.89)	(5.97)	1.08	18.97
	Rendering of services				
	Works Contract * Excl GST as expense	-	16.59		
	Works Contract * Excl GST capitalised	-	27.53		
	Rent Excluding GST as expense	0.02	0.01		
	Rent Excluding GST capitalised		0.01		
	Interest on Loan as an expense	52.81	43.46		
	Interest on loan capitalised		9.14		

Ajay K. Jain & Co. Chartered Accountants DELHI

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

Note:-24 Service Concession Arrangements (SCA)
Public-to-private service concession arrangements are recorded in accordance with Appendix "C"- Service Concession Arrangements to Ind AS-115-"Revenue from Contract with customers". This SCA is falling within this appendix's scope as both the conditions set out below are met:

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

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

An intangible asset is recognized to the extent that the operator receives the right to charge users of the public service, provided that these charges are conditional on the degree to which the service is used.

These intangible assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then amortized over the term of the concession.

Ircon Shivpuri Guna Tollway Limited (IrconSGTL) (the operator) has entered into a service concession arrangement with National Highway Authority of India (NHAI) dated 15th June 2015 in terms of which NHAI (the grantor) has authorized the company to develop, finance, design, engineer, procure, construct, operate and maintain the Project of four laning of Shivpuri Guna Section and to exercise and/or enjoy the rights, powers, benefits, privileges authorizations and entitlements upon its completion. In terms of the said agreement Ircon Shivpuri Guna Tollway Limited has an obligation to complete construction of the project of four laning of Shivpuri Guna section and to keep the project assets in proper working condition including all projects assets whose lives have expired.

The Concession period shall be 20 years commencing from the appointment date. At the end of the concession period, the assets will be transferred back to National Highway Authority of India (NHAI). In case of material breach in terms of agreement the NHAI and IrconSGTL have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

The Company recognizes revenue and cost in accordance with Ind AS 115 by reference to the construction's stage of completion. The Company measures contract revenue at the fair value of the consideration receivable. During the arrangement's construction phase, the Company's assets of 726.78 crores (representing its accumulating right to be paid for providing construction services) is classified as an intangible assets (license to charge user of the infrstructure), which was completed in 2018-19. *The Company has recognized nil profit on construction of intangible assets under service concession arrangement .The revenue recognized in relation to construction of intangible assets under service concession arrangement represents the fair value of services provided towards construction of intangible assets under service concession arrangement.* The operation of toll road has commenced from 7th June 2018 and the company has recognised usage fee as revenue of Rs. 94.17 Crores from operation of toll roads for the year ended 31.03.2020.

Concession fee and its premium is seen as being paid for earning the revenue and is treated as a charge against revenue. During the year concession fees of Rs 20.79 Crores (Rs 16.83 crores) to NHAI has been paid as per terms of the concession agreement . Usage fee collected over and above the traffic cap as per the concession agreement is termed as excess fee. This SCA is due to be renegotiated as per clause number 28 and 29 of the concessionaire agreement.

Construction Contracts
In terms of the disclosure required in Ind AS -115 "Revenue from Contract with Customers" , the amount considered in the financial statements up to the balance sheet date are as follows:-

Amount in Rs Crores

Particulars	31-Mar-20	31-Mar-19
Revenue recognized from construction services	-	32.50
Revenue recognised from toll-Usage fee	94.17	72.88
Aggregate amount of cost incurred and recognized in Profit/Loss	-	32.50
Gross amount due from Client for Contract Works	-	-

Note:- 25 Disclosure as required by Ind AS 1 "Presentation of Financial Statements"

Changes in significant accounting policies:

Policy on'Leases' has been modified in the significant accounting policies due to the applicability of Ind AS 116 "Leases".

Ind AS 116 was notified with effect from April 1, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. **The Company elected to use the transition practical expedient not to reassess whether contract is or contains lease at April 01, 2019.** Instead, the Company applied the standards only to contracts that were previously identified as leases applying Ind AS 17.

The effect of adoption Ind AS 116 as at April 01 2019 (increase/(decrease)) is as follows:

(Rs. in crore)

Assets	**Amount**
Right-of-use assets	0
Property, plant and equipment	0
Prepayments	0
Total assets	0.00
Liabilities	
Financial liabilities - Lease liabilities	0
Total liabilities	0.00

The Company has lease contracts for Rented office premises only. These leases are either below 12 months or of low value. 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. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and low value leases. Refer to Note 2.15 of the accounting policy . The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company did not have any finance leases.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and opearting leases classified as 'low value'. The lessee recognizes a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and correspondingy measured the right-of-use asset at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The Company also applied the available practical expedients wherein it:

(i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics

(ii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months and also those leases that are essential termed as 'low value'.

(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iv) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31 2019 is as follows:

(Rs. in crore)

Particulars	**As at April 01, 2019**
Assets	
Operating lease commitments as at March 31, 2019	-
Weighted average incremental borrowing rate as at April 01, 2019	-
Discounted operating lease commitments as at April 01, 2019	-
Less:	
Commitments relating to short-term leases	-
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	-
Lease liabilities as at April 01, 2019	0.00

Note:- 26 Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

(a) During the year the Company has changed the accounting policy related to "Prior Period Items". It has been decided to adjust the immaterial prior period items in the current year.

The financial statements line items for the year ended 31 March 2020 which were affected by the change in accounting policy are given below :-

Balance Sheet as at 31st March, 2019

(Rs. in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Trade Payable - Current	20.83	21.00	(0.17)
2	Other Financial Liabilities - Current	2.44	2.44	-
3	Cash & Cash Equivalents	9.61	9.61	-
4	Current Tax Assets	1.91	1.91	-
5	Other Financial Assets current	0.03	0.03	-
6	Trade Receivables	0.70	0.70	-
7	Equity	150.00	150.00	-

Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Revenue from Operations	149.75	149.75	-
2	Other Income	0.43	0.43	-
3	Project Expenses^^	101.60	101.77	(0.17)
4	Employee Remuneration and Benefits - Other Expenses	1.16	1.16	-
5	Other Expenses	77.95	77.95	-
6	Profit for the year	-30.63	-30.79	0.17
7	Basic Earnings Per Share	-2.04	-2.05	0.01
8	Diluted Earnings Per Share	-2.04	-2.05	0.01

^^ The prior period expense of Rs 0.17 Crores is on account of late receipt of invoices of Independent Engineer, pertaining to FY 1819 but received in FY 1920

Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Revenue from Operations	94.44	94.44	-
2	Other Income	0.44	0.44	-
3	Project Expenses	29.58	29.42	0.17
4	Employee Remuneration and Benefits - Other Expenses	1.60	1.60	-
5	Other Expenses	94.43	94.43	-
6	Profit for the year	-30.83	-30.67	(0.17)
7	Basic Earnings Per Share	-2.06	-2.04	(0.01)
8	Diluted Earnings Per Share	-2.06	-2.04	(0.01)

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

(c) Previous year figures are shown under bracket () to differentiate from current year figures.

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

Note:- 27 Employee Benefits

The employees working for Ircon Shivpuri Guna Tollway Limited (ISGTL) "the company" are posted on deputation / secondment and are on the rolls of Ircon International Limited, the Holding Company. Their PF contributions, pension contributions, gratuity, leave encashment and other retirement benefits have been accounted for on the basis of invoices / debit advises from its holding company. The provision for gratuity and other retirement benefits of employees on deputation in terms of Ind AS-19 is being made by its Holding Company as per its accounting policies.

Provident fund contribution and pension contribution of the employees on deputation has been regularly deposited by the holding company with its P. F. Trust.

Note:- 28 (a) Foreign exchange recognised in the Statement of Profit and Loss:

(Rs. in crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit or Loss	-	-
Other Comprehensive Income	-	-
Total	-	-

(b) Earnings in foreign currency (on accrual basis):

(Rs. in crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Work Receipts & Locomotive lease	-	-
Bank Interest	-	-
Other Interest	-	-
Foreign Exchange Fluctuation Gain (Net)	-	-
Others	-	-
Total	-	-

(c) Expenditure in foreign currency (on accrual basis):

(Rs. in crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Operational Expenses		
Consultancy charges		
Foreign Exchange Fluctuation Loss (Net)		
Total	-	-

Ajay K. Jain & Co. DELHI Chartered Accountants

Note:- 29 Related Party Transactions

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

a) List of Related Parties

(i) Holding Company

Ircon International Limited

(ii) Board of Directors

Name	Designation*
Shri Deepak Sabhlok	Chairman (upto 31st October 2019)
Shri Shyam Lal Gupta	Chairman (w.e.f. 1st November 2019)
Shri Ashok Kumar Goyal	Director
Shri Rajendra Singh Yadav	Director (From 06th march 2017 to 19th September 2019 and reappointed w.e.f. 27th January 2020)
Shri Anand Kumar Singh	Director (upto 4th September 2019)
Ms. Anupam Ban	Director (upto 30th August 2019)
Ms. Bhuvanesahwari Krishnan	Director (From 19th September 2019 to 1st November 2019)
Shri Surajit Dutta	Director (w.e.f. 1st November 2019)
Shri D K Sharma	Director (w.e.f. 19th September 2019)

(iii) Members declared as Key Management Personnel (KMP)

Name	Designation
Shri Masood Ahmad Najar	Chief Executive Officer w.e.f. 21st July 2016
Shri Sanjeev Kumar Gupta	Chief Financial Officer w.e.f 4th January 2019
Ms. Sakshi Mehta	Company Secretary w.e.f 29th May 2017

** All the Directors are Part-Time (Nominee) Directors nominated by the holding Company i.e. Ircon International Limited.*

Ajay K. Jain & Co.
DELHI
Chartered Accountants

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

b) Transactions with Key Management Personnel (KMP) of the Company are as follows:

(Rs. in crore)

S.No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
1	Short term employee benefits	0.53	0.53
2	Post employment benefits	0.09	0.06
3	Other long-term employee benefits	0.01	0.01
4	Termination benefits		
5	Sitting fees		
	Total	**0.63**	**0.60**

Transactions with related parties are as follows:

(Rs. in crore)

S.No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2020	For the year ended 31st March 2019
1	**Sale of goods and services**				
1.1	**Contract Revenue**	Ircon International Limited	Holding Company	-	-
1.2	**Rent Income**	Ircon International Limited	Holding Company	-	-
2	**Purchase of goods and services**	Ircon International Limited Work Expenses	Holding Company	-	44.12
3	**Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)**	Ircon International Limited	Holding Company	0.02	0.02
4	**Interest Expense**				
4.1	**Interest Expense on Loan**	Ircon International Limited	Holding Company	52.81	52.60
5	**Repayment of Loans**	Ircon International Limited	Holding Company	15.44	-
6	**Advances/ Loans Received**	Ircon International Limited	Holding Company	18.00	35.77
7	**Any Other transaction not covered above**	Ircon International Limited	Holding Company		-

Ajay K. Jain & Co. DELHI Chartered Accountants

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

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

(Rs. in crore)

S.No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2020	As at 31st March, 2019
1	**Equity Received (Liability)**	Ircon International Limited	Holding Company	150.00	150.00
5	**Borrowings**	Ircon International Limited	Holding Company	564.15	561.59
6	**Amount Payable towards**				
6.1	**Trade Payables**	Ircon International Limited	Holding Company	0.97	18.53
6.8	**Other Payables**	Ircon International Limited	Holding Company	0.11	0.44

d) **Terms and conditions of transactions with related parties**

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

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

(iii) The loans to key management personnel if any are on the same terms and conditions as applicable to all other employees.

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

(v) IrconSGTL had five Part-time Directors during the financial year 2019-20, 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.

Ajay K. Jain & Co. DELHI Chartered Accountants

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

Note:- 30 Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

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

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

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

Particulars	Note	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit attributable to Equity holders (Rs. in crore)	(ii)	(30.83)	(30.63)
Weighted average number of equity shares for Basic and Diluted EPS	(iii)	15.00	15.00
Earnings per share (Basic)		(2.06)	(2.04)
Earnings per share (Diluted)		(2.06)	(2.04)
Face value per share		10.00	10.00

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year as per Statement of Profit and Loss	-30.83	-30.63
Profit attributable to Equity holders of the company used for computing EPS:	**(30.83)**	**(30.63)**

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening balance of issued equity shares	15	15
Equity shares issued during the year	0	0
Weighted average number of equity shares for computing Basic EPS	**15**	**15**
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	0	0
Weighted average number of equity shares for computing Diluted EPS	**15**	**15**

Note:- 31 Impairment of Assets

In compliance of Ind AS 36 "Impairment of Assets", the Company has reviewed the assets at year-end for indication of impairment loss, if any, as per the accounting policy of the Company. As there is no indication of impairment, no impairment loss has been recognised during the year.

Note:- 32 Provisions, Contingencies and Commitments

(i) Provisions

As per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' there were no provisions for the year by the Company.

(ii) Contingent Liabilities

Disclosure of Contingent Liabilities as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

(Rs. in crore)

	Particulars	Foot Note	As at 31st March 2019	Addition during the year	Claims settled during the year			As at 31st March 2020
					Out of the opening balance	Out of addition during the year	Total Claims Settled during the year	
a)	**Claims against the Company not acknowledged as debts :**		-	-	-	-	-	-
b)	**Guarantees (excluding financial guaratees) issued by the company on behalf of**		-	-	-	-	-	-
c)	**Other money for which company is contingent liable**		-	-	-	-	-	-
			-	-	-	-	-	-

(iii) Commitments

(Rs. in crore)

	Particulars	Foot Note	As at 31st March 2020	As at 31st March 2019
a)	**Capital Commitments**			
	Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	112.12	112.12
b)	**Other Commitments**			
(i)	Concessainare fees payable to NHAI till end of Concessionaire period of the Toll Road (refer Note 24 SCA)		526.60	547.80
			638.72	**659.92**

Foot Note:

(Rs. in crore)

	S.No	Capital Commitments	As at 31st March 2020	As at 31st March 2019
1	1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipment		
	2	Estimated amount of contracts remaining to be executed on Investment Property		
	3	Estimated amount of contracts remaining to be executed on Intangible Assets under development	112.12	112.12
		Total	**112.12**	**112.12**

Ajay K. Jain & Co. ★ DELHI ★ Chartered Accountants

Note:- 33 Segment Reporting

Disclosure as per Ind AS 108 " Operating Segment" is given as under:

A. General information

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The Board of Directors of the Company is the Chief Operating Decision Maker (CODM). The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) for review of performance and allocating resources.

The Company has determined reportable operating segments from geographical perspective.

B. Information about reportable segments and reconciliation to amounts reflected in the financial statements:

(Rs. in crore)

Particulars	International		Domestic		Total	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Segement Revenue						
Revenue from external customers			94.44	149.75	**94.44**	**149.75**
Add : Company's share of turnover in integrated joint operations					-	-
Total Operating Revenue	-	-	**94.44**	**149.75**	**94.44**	**149.75**
Interest income			0.43	0.30	**0.43**	**0.30**
Other Income			0.01	0.13	**0.01**	**0.13**
Inter - segment					-	-
Total Revenue	-	-	**94.88**	**150.18**	**94.88**	**150.18**
Segement Result						
Profit before provision, depreciation, interest and exceptional item and tax	-	-	63.66	47.36	**63.66**	**47.36**
Less: Provisons and write back					-	-
Less: Depreciation,amortization			(41.55)	(34.40)	**(41.55)**	**(34.40)**
Less: Interest			(52.84)	(43.49)	**(52.84)**	**(43.49)**
Profit before tax			**(30.73)**	**(30.53)**	**(30.73)**	**(30.53)**
Less: Tax expense			(0.10)	(0.10)	**(0.10)**	**(0.10)**
Profit after tax	-	-	**(30.83)**	**(30.63)**	**(30.83)**	**(30.63)**

C.Other Information

(Rs. in crore)

Particulars	International		Domestic		Total	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Total Assets			656.06	705.34	656.06	705.34
Total Liabilities			568.25	586.70	568.25	586.70
Investment in joint ventures accounted for by equity method			-	-		
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets			0.15	0.11	0.15	0.11
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)			0.01	692.48	0.01	692.48

D. Information about major customer

The Company is engaged in the business of construction , operation , maintenance of Toll Road and its major revenue is from the collection of the Toll Proceeds from the vehicles that use the said Toll Road. Approximately 98% (48%) of the revenue has arisen from these during the period ended March 31, 2020, in the Domestic Segment only

Ajay K. Jain & Co.
Chartered Accountants
DELHI

Note:- 34 Revenue from contract with customers

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, 2020						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways			-				-
Highway	94.44		94.44	94.44			94.44
Electrical			-				-
Building			-				-
Others			-				-
Total	94.44	-	94.44	94.44	-	-	94.44

Out of the total revenue recognised under Ind AS 115 during the year, Rs NIL is recognised over a period of time and Rs. 94.44 crore recognised point in time.

(Rs. in crore)

Type of Product or Services	For the year ended March 31, 2019						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways			-				-
Highway	149.75		149.75	149.75			149.75
Electrical			-				-
Building			-				-
Others			-				-
Total	149.75	-	149.75	149.75	-	-	149.75

Out of the total revenue recognised under Ind AS 115 during the year, Rs 76.87 crore is recognised over a period of time and Rs. 72.88 crore recognised point in time.

B. The Company has applied modified retrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is Nil on retained earnings as at April 1, 2018.

C. Contract balances

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Receivables (Note 7.1)	0.14	0.70
Contract Assets	-	-
Contract Liabilities	-	-

(i) (i) Trade receivables are non-interest bearing and the customer profile includes National Highway Authority of India (NHAI) and Toll Collection Agency. The Company's average project execution cycle is around 24 to 36 months. General payment terms include payments for utility shifting reimbursements and change in scope of work mutually agreed upon if any, with a credit period ranging from 60 to 180 days or when the work is certified.Payments also includes Toll receipts for use of Toll collected by the Toll Collection Agency for the Company. Project executed by the Company is under BOT (built operate transfer) model and the payments are on account of Toll Collection and additional works by NHAI, if any.

(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

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Contract asset at the Beginning of the year	-	-
Contract asset at the end of the year	-	-
Net increase/decrease	-	-

(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, 2020	As at 31st March, 2019
Contract liabilities at the beginning of the year	-	-
Contract liabilities at the end of the year	-	-
Net increase/decrease	-	-

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

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Amount included in contract liabilities at the beginning of the year	-	-
Performance obligation satisfied in previous years	-	-

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)

	As at 31st March, 2020	As at 31st March, 2019
Within one year	-	-
More than one year to 2 years	-	-
More than 2 years	-	-
Total	-	-

DELHI Chartered Accountants

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

Note:- 35 Leases

a) Company as a Lessee

The Company as a lessee has entered into two lease contracts, for office space and guest house. 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. These leases are in nature of short term leases or low value leases and are operating leases.

Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year is Nil.

Lease Liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	(Rs. in crore) As at 31st March, 2020
Balance at April 1, 2019	0.00
Addition	-
Accredition of interest	-
Payments	-
Balance at March 31, 2020	0.00
Current	-
Non-current	-

Amounts recognised in Statement of Profit and Loss

	(Rs. in crore) For the year ended 31st March 2020
Depreciation expense of right-of-use assets	-
Interest expense on lease liabilities	-
Expense relating to short-term and low value leases (Refer Note 18)	0.04
	0.04

b) Company as a Lessor

The Company has given a demarcated area adjacent to the Toll Road, within the terms of the Service Concession Arrangement with NHAI, on Lease for a Petrol Pump to be operated by Hindustan Petroleum Company Limited (HPCL) and Lease and operations of Rest Area to Synergy Engineers Group Private Limited. An amount of Rs 0.16 Crores (Rs 0.10 Crores) was received from HPCL and Rs 0.12 Crores (Rs NIL) from Synergy as Lease payments.

Future minimum rentals receivable under non-cancellable operating leases is as follows:

	(Rs. in crore) As at March 31, 2020
Within one year	0.33
After one year but not more than five years	1.38
More than five years	2.83
	4.54

Ajay K. Jain & Co. ★ DELHI ★ Chartered Accountants

Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended March 31, 2020

Note:- 36 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, 2020	As at 31st March, 2019
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	-	-
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
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	-	-
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	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-

Ajay K. Jain & Co. Chartered Accountants DELHI

IrconSGTL

Note:- 37 Corporate Social Responsibility Expenses (CSR)

Ircon Shivpuri Guna Tollway Limited (IrconSGTL) is not either having net worth of Rs.500crore or more; or Turnover of Rs.1000crore or more; nor having net profit of Rs.5crore or more during the preceding financial year as stated under section 135(1) of the Companies Act 2013. Therefore, the provisons of section 135 of the Companies Act,2013, pertaining to Corporate Social Responsibility (CSR) are not applicable to IrconSGTL and the Company is not required to spent any amount on CSR Activities.

Note :- 38 Other disclosures

a) The duration and impact of the COVID-19 pandemic remains unclear at present as on reporting date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. However, the company is protected by the clauses 29.6 of the Concession Agreement to claim such loss under force majeure event in the form of revenue loss compensation by way of extension of the concession period. The impact of the lockdown disruption/ COVID-19 pandemic will have to be assessed from time to time and communicated as we progress during the current financial year. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities. It is therefore premature to forecast the future impact with credibility at this stage.

For Ajay K. Jain & Co
Chartered Accountants
FRN 007118N

(CA Ajay K. Jain)
Partner
M. No. 085994

Ajay K. Jain & Co. CA DELHI Chartered Accountants

Place : New Delhi
Date : 24-06-2020
UDIN- 20085994AAAACH1291

(Shyam Lal Gupta)
Chairman
DIN- 07598920

(Surajit Dutta)
Director
DIN-06687032

(Rajendra Singh Yadav)
Director
DIN-07752915

(Masood Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

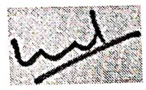
Comments of Comptroller & Auditor General of India

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 SHIVPURI GUNA TOLLWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of **IRCON SHIVPURI GUNA TOLLWAY LIMITED** for the period ended 31st March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24.06.2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **IRCON SHIVPURI GUNA TOLLWAY LIMITED** for the period ended 31st March 2020 under section 143(6)(a) of the Act.

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



(K.S. Ramuwalia)
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 7.09.2020

IRCON SHIVPURI GUNA TOLLWAY LIMITED
('IrconSGTL')

Registered & Corporate Office:

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

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

E-mail id: cs.irconsgtl@gmail.com