

Ircon Vadodara Kim Expressway Limited

(IrconVKEL)

(A Wholly Owned Subsidiary of Ircon International Limited)

CIN: U74999DL2018GOI334028



**1st Annual Report
(For the FY 2018-19)**

COMPANY PROJECT

“Eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase - VI on Hybrid Annuity mode (Phase IA-Package II)”

BOARD OF DIRECTORS

Mr. Deepak Sabhlok, Part-time Chairman
Mr. Ashok Kumar Goyal, Part-time Director
Mr. Anand Kumar Singh, Part-time Director
Mr. Rajendra Singh Yadav, Part-time Director
Ms. Anupam Ban, Part-time Director

KEY MANAGERIAL PERSONNEL

Mr. Braj Bhushan Singh, Chief Executive Officer
Mr. Raj Kumar, Chief Financial Officer
Ms. Richi Mahajan, Company Secretary

BOARD COMMITTEES

No Board Committee is constituted

STATUTORY AUDITOR

M/s N. C. Raj & Associates
Chartered Accountants

EPC CONTRACTOR TO COMPANY

Ircon International Limited

BANKERS TO THE COMPANY

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

CONTACT PERSON

Ms. Richi Mahajan
Company Secretary
Email id: csirconvkel@gmail.com
Tel: 011-26545000

REGISTERED OFFICE

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

BOARD OF DIRECTORS OF IRCON VADODARA KIM EXPRESSWAY LIMITED
[PART-TIME (NOMINEE) DIRECTORS]



MR. DEEPAK SABHLOK
CHAIRMAN, DIRECTOR (PROJECTS), IRCON



MR. ASHOK KUMAR GOYAL
DIRECTOR
EXECUTIVE DIRECTOR/PROJECTS, IRCON



MR. ANAND KUMAR SINGH
DIRECTOR
EXECUTIVE DIRECTOR/FINANCE, IRCON



MR. RAJENDRA SINGH YADAV
DIRECTOR
PROJECT DIRECTOR/J&K, IRCON



MS. ANUPAM BAN
DIRECTOR
CHIEF GENERAL MANAGER/HRM, IRCON

KEY MANAGERIAL PERSONNEL of IrconVKEL



MR. BRAJ BHUSHAN SINGH
CHIEF EXECUTIVE OFFICER (CEO)
[w.e.f 20.11.2018]



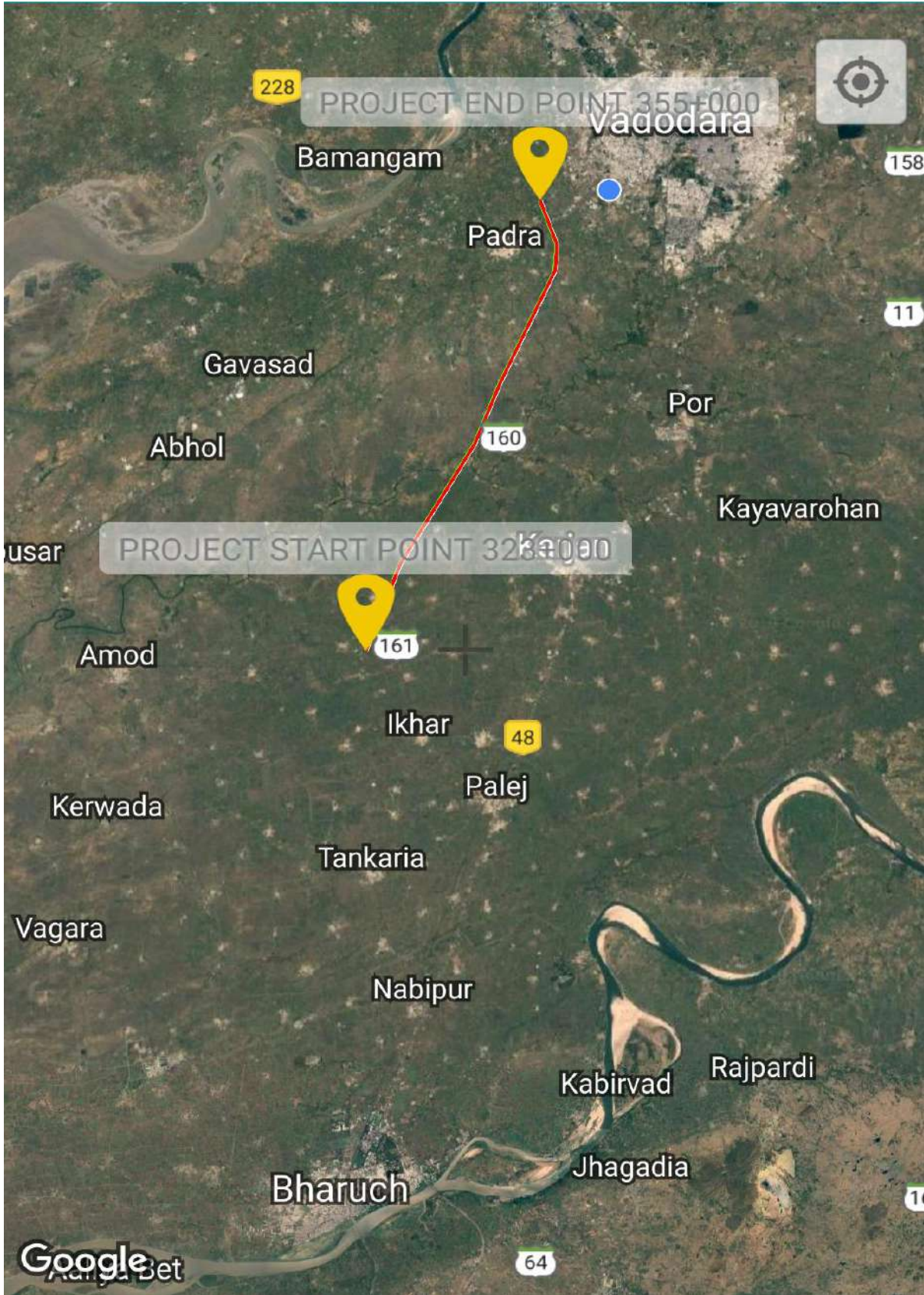
MR. RAJ KUMAR
CHIEF FINANCIAL OFFICER (CFO)
[w.e.f 20.11.2018]



MS. RICHI MAHAJAN
COMPANY SECRETARY
[w.e.f 04.04.2019]

VADODARA KIM EXPRESSWAY PROJECT PHOTOGRAPHS





Pile Boring at Interchange 323+074



FDD checking at CH. 335+800 to 336+000





OGL Preparation at 350+200 to 350+300



Pile cage lowering at 353+666 Interchange

CONTENTS OF ANNUAL REPORT OF IrconVKEL

Sr. No.	Particulars	Page No.
1.	Board of Director's Report	
2.	Statutory Auditor's Report	
3.	Ind AS Financial Statements of the Company	
	➤ Balance Sheet	
	➤ Statement of Profit and Loss	
	➤ Cash Flow Statement	
	➤ Statement of Changes in Equity	
	➤ Summary of Significant Accounting Policies	
	➤ Notes to Accounts & Other Explanatory Information	
4.	Comments of the Comptroller & Auditor General of India (CAG Comments)	

Notice for 1st Annual General Meeting

Shorter Notice is hereby given that the First Annual General Meeting of the Members of IIcon Vadodara Kim Expressway Limited (IIconVKEL) will be held at the Registered Office of IIconVKEL situated at C-4, District Centre, Saket, New Delhi-110017, on Monday, the 26th August 2019 at 03:00 P.M. to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Directors' Report and the Financial Statements for the year ended on 31st March 2019 along with the Auditors' Report thereon, and pass, with or without modification(s), the following ordinary resolution:-**

“RESOLVED THAT the Financial Statements for the year ended 31st March 2019 comprising Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss for the year ended 31st March 2019, Cash flow Statement for the year ended 31st March 2019 and the Statement of Changes in Equity along with Notes thereto, and the Auditors' Report thereon, as well as the Directors' Report along with its Annexures including the Management Discussion & Analysis Report, Extract of Annual Return in Form MGT-9, Form AOC-2, Corporate Governance Report as circulated to the members of the company and as laid before the meeting, be and are hereby approved and adopted.”

- 2. To consider and if thought fit, to pass, with or without modification(s), the following ordinary resolution in respect of Remuneration of Statutory Auditors of the Company for the Financial Year 2019-20:-**

“RESOLVED THAT the Board of Directors of IIconVKEL be and is hereby authorized to fix, the remuneration including out-of-pocket expenses of the Statutory Auditors of the Company as may be appointed by the Comptroller & Auditor General of India, for audit of financial statements of the Company for the financial year 2019-20.”

**By the order of the Board of Directors
For IIcon Vadodara Kim Expressway Limited**

**Date: 07th August, 2019
Place: New Delhi**

**Sd/-
Richi Mahajan
Company Secretary**

NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY IN WRITING DULY SIGNED BY HIM/HER TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. FORM OF PROXY IS ENCLOSED.**
2. As per the provisions of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 days of notice in writing of the intention to inspect is given to the Company.
4. Voting to be by show of hands in the first instance. Every member present in person shall have only one vote on a show of hands. Only when a poll is demanded under section 109, every such member shall have one vote for every share held by him/her.
5. Five members (shareholders) of the Company personally present throughout the meeting is the Quorum.
6. Route map including prominent landmark for easy location of the Registered Office (venue of the meeting) is provided at the end of Annual Report.
7. A form of Attendance slip is provided at the end of Annual Report.
8. Pursuant to Section 139(5) of the Companies Act, 2013, the auditors of Government Company are appointed by the Comptroller & Auditor General of India (C&AG) and their remuneration is fixed by the Company in the Annual General Meeting or in such manner in Annual General Meeting may determine [section 142(1) of the Companies Act, 2013]. The shareholders may authorize the Board to fix up an appropriate

remuneration of Auditors for the year 2019-20 as may be deemed fit by the Board of Directors. Statutory Auditors for the financial year 2019-20 are yet to be appointed.

9. Relevant documents referred to in the accompanying notice are open for inspection by the Members at the registered office of the Company on all working days during business hours up to the date of Annual General Meeting.
10. None of the Directors, KMP and their relatives are in any way concerned and interested in any of the ordinary business items.
11. **Members requested to bring their copies of Annual Report, Notice and Attendance slip duly completed and signed at the meeting.**

- To:**
1. **All shareholders of the Company**
 2. **All Directors of the Company**
 3. **M/s N C Raj & Associates, Chartered Accountants (Statutory Auditors)**

Form No. MGT 11 – Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

I, being the member holding _____ shares of Ircov Vadodara Kim Expressway Limited (IrcovVKEL), hereby appoint:

1. Name : _____ E-mail Id : _____

Address : _____ Signature : _____

or failing him / her

2. Name : _____ E-mail Id : _____

Address : _____ Signature : _____

or failing him / her

3. Name : _____ E-mail Id : _____

Address : _____ Signature : _____

as my proxy to attend and vote (on a poll) for me and on my behalf at the 1st Annual General Meeting of the company, to be held on Monday, the 26th August, 2019 at 03:00 P.M. at Registered Office of IrcovVKEL or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

1. **To receive and adopt the Directors' Report and the Audited Balance Sheet as at 31st March 2019 and the Statement of Profit & Loss for the year ended 31st March 2019 with the Auditors' Report thereon.**
2. **To fix the Remuneration of Auditors of the Company for 2019-20.**
- 3.

Signed this ____ day of August 2019

Signature of Shareholder

Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be completed (i.e. duly filled, stamped, and signed) and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Name of the Member :
(In Block Letters)

Address of the Member :

Folio No. :

No. of Shares held :

I certify that I am a member of the Company.

I hereby record my presence at the 1st Annual General Meeting of the Company held on Monday the 26th August, 2019 at 03:00 P.M at C-4, District Centre, Saket, New Delhi – 110017.

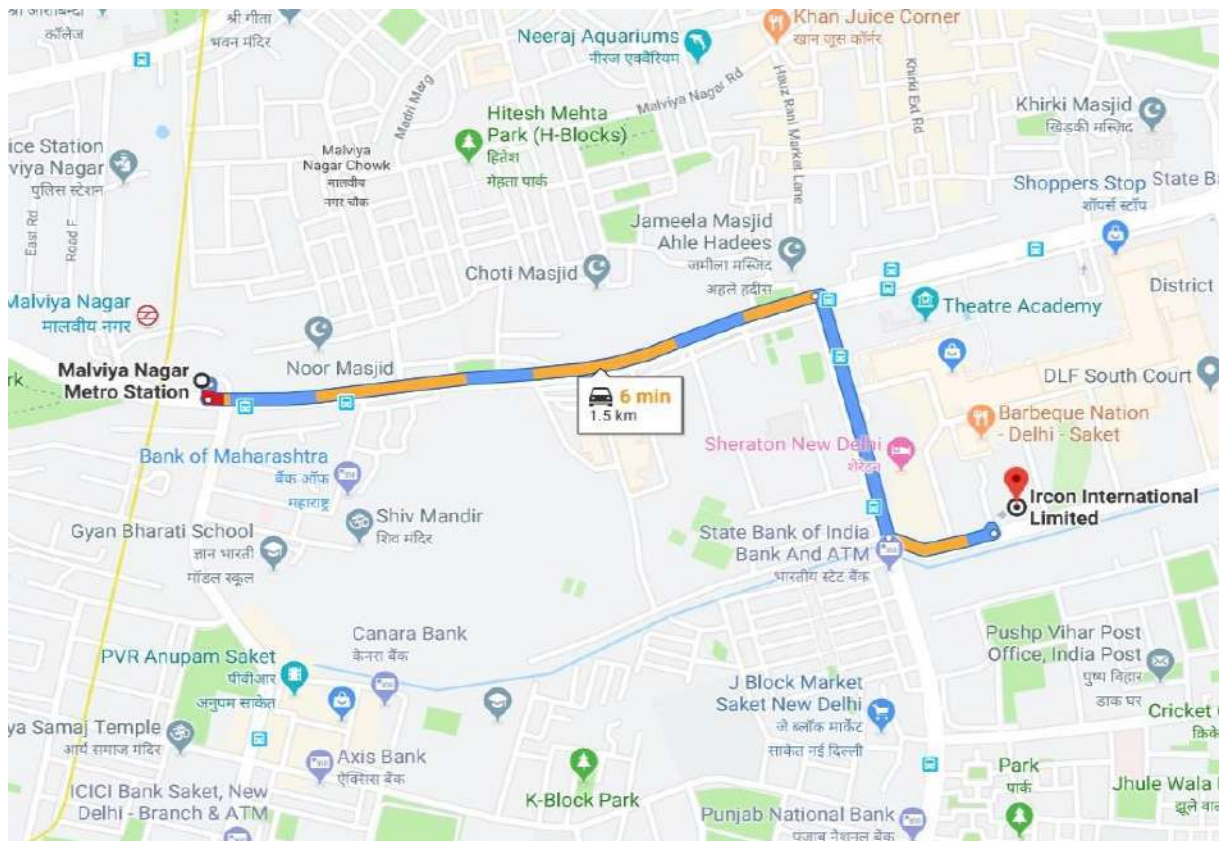
Member's Signature

Note:

Please fill and sign this attendance slip and hand it over at the entrance of the meeting.

Route Map of the venue of 1st AGM of Iircon Vadodara Kim Expressway Limited

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



BOARDS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the 1st Annual Report together with the Audited Financial Statements and Business Affairs of the Company for the Financial Year 2018-19.

Business Operational Highlights: Present State of Company's Affairs

Ircon Vadodara Kim Expressway Limited (IrconVKEL), a wholly owned subsidiary of Ircon International Limited was incorporated on 16th May, 2018 as a Special Purpose Vehicle (SPV) for executing the project works of "in the State of Gujarat by NHAI. The main object of IrconVKEL is to carry on the business of development, maintenance and management of Eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase – VI Hybrid Annuity Mode (Phase IA-Package II) on design, build, finance, operate and transfer basis.

The concession agreement has been signed with NHAI on 25th May, 2018 and the financial closure will be achieved by the Company within 150 days of signing the concession agreement i.e by October 07, 2018. Further in terms of concession agreement, the total project bid cost is Rs.1865 and first year O&M cost is Rs.8.16 Crore. 40% of the project bid cost shall be reimbursed by NHAI during construction and balance 60% is receivable after construction in the form of Annuity.

Presently, the project is in construction phase and the operation and maintenance phase shall commence on completion of construction. EPC contractor Ircon International Limited has already appointed sub-contractors. The agencies have already mobilized at site and physical work shall begin shortly. NHAI Team and Independent Engineers are already at site.

Financial Highlights: 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 2018-19 as per Indian Accounting Standards (IND AS) with a transition from erstwhile Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies have accordingly been reframed for compliance of IND AS.

Financial performance indicators as on 31st March 2018:

(Amount in Rs. In Thousands)

Sl. No.	Particulars	For the Year Ended 31.03.2019 (Audited)
1.	Equity Share Capital	60,000
2.	Other Equity (includes Reserves and Surplus)	499
3.	Loan from Holding Company (Borrowings)	0
4.	Intangible Assets under Development	0
5.	Total Assets and Liabilities	
6.	Revenue from Operations	10,085
7.	Other Income	674
8.	Total Income (6) + (7)	10,759
9.	Operating cost	0
10.	Other Expenses	10,085
11.	Total Expenses (9) + (10)	10,085
12.	Depreciation	-
13.	Profit/(Loss) Before Tax (8) – (11)	675
14.	Provision for Taxation	-
15.	- Current	386
16.	- Earlier years Tax	-
17.	- Deferred Tax	(210)
18.	Profit / (Loss) After Tax	499
19.	Other Comprehensive Income	
20.	Total Comprehensive Income (Comprising Profit (Loss) & Other Comprehensive Income (15) + (16)	499

Share Capital of the Company as on March 31, 2019:

The Authorized Share Capital of the Company is Rs. 10 Crore comprising of 10,00,000 Equity Shares of Rs.10 each. During the year the Company has increased the Paid-up Share Capital of the Company from Rs. 1 Crore to 6 Crore during the Financial Year 2018-19 is mentioned as follows:

Date of Allotment	No. of Equity Shares Allotted (of Rs.10 each)	Name of Allottee
November 20, 2018	50,00,000 (5 Crore) @ 10 each	IIcon International Limited (Holding Company)

Cash Flows from the Project:

The total Cash Flows from the project activities during the year is **Rs. (21288.212) (In Thousands)**.

Management and Discussion Analysis Report (MDAR):

The MDAR has been appended as **Annexure – A** forming part of this report.

Extract of Annual Return:

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

Board of Directors & Key Management Personnel:

The Company's management is headed by five Non-Executive Nominee directors as Board of the Company as appointed by the Holding Company of your Company and are the First Directors of the Company as per Articles of Association of the Company: -

Sl. No.	Directors	Date of Appointment	DIN
1.	Mr. Deepak Sabhlok, Part-time Chairman	16.05.2018	03056457
2.	Mr. Ashok Kumar Goyal, Nominee Director	16.05.2018	05308809
3.	Mr. Anand Kumar Singh, Nominee Director	16.05.2018	07018776
4.	Mr. Rajendra Singh Yadav, Nominee Director	16.05.2018	07752915
5.	Ms. Anupam Ban, Nominee Director	16.05.2018	07797026

Key Managerial Personnel:

Sl. No.	Key Personnel of Company	Date of Appointment	PAN No.
1.	Mr. Braj Bhushan Singh, Chief Executive Officer (Designated as KMP on 20.11.2018)	20.11.2018	AMWPS5537Q
2.	Mr. Raj Kumar, Chief Financial Officer (Designated as KMP on 20.11.2018)	20.11.2018	AUSPK7929G
3.	Ms. Richi Mahajan, Company Secretary (Designated as KMP on 04.04.2019)	04.04.2019	BSKPM9006P

Number of meetings of the Board of Directors:

During the period under review, your Board of Directors met 6 number of times during the financial year 2018-19 as per the provisions of the Companies Act, 2013, Meetings of Board and its Powers, Rules, 2014 and DPE (Corporate Governance) Guidelines 2010.

The Board Meetings were held on 17.05.2018, 03.07.2018, 18.07.2018, 25.09.2018, 20.11.2018, 30.01.2019. The interval between the Board Meetings was within the period prescribed under the Companies Act, 2013.

Number of the Board meetings attended by the Directors during the financial year 2018-19 is as follows:

Name of the Director	Number of the Board meetings attended
Deepak Sabhlok	5/6
Ashok Kumar Goyal	5/6
Anand Kumar Singh	6/6
Rajendra Singh Yadav	6/6
Anupam Ban	6/6

Board Committees:

During the Financial Year 2018-19, no committee was constituted as per the provisions of Companies Act, 2013.

Changes in Directors and Key Managerial Personnel:

During the period there were no changes in the Composition of the Board of Directors. However, the Company has deputed Mr. Braj Bhushan Singh, Chief Executive Officer and Mr. Raj Kumar, Chief Financial Officer of the Company from Ircov as Key Managerial Personnel of IrcovVKEL w.e.f 20th November, 2018. The Company has appointed Ms. Richi Mahajan as Company Secretary w.e.f 04th April, 2019.

Report on Corporate Governance

The Report on Corporate Governance has been appended to this Report as **Annexure – C.**

Directors' Responsibility Statement:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the annual financial statements for the year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2019 and of the Statement of Profit & Loss of the Company for that period ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;

- e) the Company being unlisted, sub clause (e) of section 134(5) read with Sub Clause (c) of Section 134 (3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company. However, the financial controls are adequate and were operating effectively;
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by an independent director(s) and re-appointment:

The provisions of Section 149 (6) of the Companies Act, 2013 relating to appointment of Independent Director are not applicable. The Company do not have any Independent Director during the Financial Year 2018-19.

Statutory Auditors:

M/s N. C Raj & Associates, New Delhi Chartered Accountants, had been appointed as Statutory Auditors, for the Financial Year 2018-19 vide CAG letter No. CA. V/COY/ Central Government, IVKEL(I)245 dated 23.07.2018. They have confirmed by way of a written consent and certificate as required under Section 139(1) of the Companies Act, 2013 and that their appointment, if made, shall be in accordance with the conditions prescribed in Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

Director's Observation and Comment's for Financial Statements (Explanation for any comments made by Auditors in their Report:

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

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

Particulars of Intercorporate loans, guarantees or investments (Section 185 and 186):

There are no transactions of loans, guarantees and investments as covered under the provisions of Section 185 and 186 of the Companies Act, 2013 during the financial year under review.

Particulars of contracts or arrangements with related parties:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The same has been reflected in AOC-2 appended as **Annexure – D** forming part of this report.

Dividend & Appropriation to Reserve:

In view of the status of the project which is on the initial stages of commencement of the project, the Board of Directors has not recommended any dividend for the financial year 2018-19.

As per the applicability of IND AS, Reserves are reflected as Retained Earnings under the head 'Other Equity' in Financial Statements and your Company has a balance of Nil balance in Retained Earnings as on 31st March 2019.

Material changes and commitments affecting the financial position of the company after the closure of the Financial Year:

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

Conservation of energy, technology Absorption, foreign exchange earnings and outgo:

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

A. Conservation of energy: -

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

B. Technology absorption: -

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

C. Foreign exchange earnings and Outgo: -

There was no Foreign Exchange Earnings and Foreign Exchange Outgo during the year 2018-19.

Risk Management:

The Company has robust business risk management framework capable of identifying business risks, commensurate with its activities. In the opinion of the Board, presently the Company does not foresee any major threat/risk to the business of the Company.

Particulars of Employees:

There is no employee who has drawn remuneration of Rs.60 Lakhs or more per annum or Rs.5 Lakhs or more per month during the year 2018-19 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.

Corporate Social Responsibility:

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

Change in the nature of business:

There is no change in the nature of business of the company during the financial year 2018-19.

Details of Subsidiary/Joint Ventures/Associate Companies:

Your Company is a wholly –owned Subsidiary of Itron International Limited. For the period under review there was no Subsidiary/Joint Ventures/Associate Companies of the Company.

Public Deposits:

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

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Company has adequate internal financial controls in place with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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.

Vigil Mechanism:

The provisions of Section 177(9) of the Companies Act, 2013 relating to establishing of a vigil mechanism are not applicable to company.

Memorandum of Understanding:

Your Company has been incorporated in the Financial Year 2018-19 hence the MoU for the financial year 2018-19 during June 2018 Complying with DPE's MOU guidelines for Central Public Sector Enterprises (CPSEs) Department of Public Enterprises has granted exemption to your Company from signing of MoU with Ircon for the Financial Year 2018-19.

Bankers to the Company:

Indian Overseas Bank (IOB) having branch office at: First Floor, Palika Bhawan, R.K. Puram Block B, Sector 13, R.K. Puram, New Delhi – 110066 is acting as the Sole Banking Partner for the Company in terms of providing services as opening of current account, escrow account and maintenance of fixed deposit (FD) in the name of the Company.

Acknowledgement:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities and 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 during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services rendered by the employees of the Company.

**For and on behalf of Board of Directors
of Ircon Vadodara Kim Expressway Highway Limited**

**Sd/-
Deepak Sabhlok
Chairman
DIN: 03056457**

**Date: 29.07.2019
Place: New Delhi**

Annexure-A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

Industry Structure and Developments:

Highway Projects awarded by NHAI are mostly Built, Operate and Transfer (BOT) projects or Hybrid Annuity (HAM) Projects.

Hybrid Annuity (HAM) Projects are a game changer in the construction arena, particularly in Road, in PPP model. As the name suggest, it is a hybrid of both of EPC (Engineering, procumbent and Construction) model and BOT (Built, Operate and Transfer) model.

Under BOT model, private players take the responsibility of construction, maintenance and toll collection for a specified period of time say 20 years (Construction period included). During this 20 years, all toll collection will be done by Contractor and maintenance to be done by himself. After the expiry of 20 years, Ownership of the road is handed over the NHAI. In this model private player to invest all monies during construction period and expected to recover these amount (along with the interest cost) form the toll revenue. Private payer is always running a risk after huge initial cash out flow.

To overcome this risk and uncertainty, an alternate version of BOT model is BOT Annuity model. In this annuity model, generally, toll revenue risk is taken by NHAI while the contractor is paid a pre-fixed annuity for construction and maintenance of road.

HAM is the middle approach to trade off risks between developer and NHAI. By only investing 60%, the developer or the Concessionaire Company is able to bear the project construction costs and associated financial liabilities. Annuity payments ensures the developer steady cash flow during maintenance period.

Strengths and Weaknesses:

Strengths:

- Infrastructure Projects of NHAI, under HAM model are financially more secure;
- Liquidity to the developer and the financial risk is shared by the government;
- Toll Revenue Risk, is borne by the Authority – NHAI, giving room for the developer to focus on construction and maintenance of highway.

Weaknesses:

- Chances of Natural disadvantage are there.
- Construction Projects relating to highways face issues with respect to efficiency in delivering timely output.

Opportunities and Threats:

Opportunities:

Continuous rising vehicles on the roads and highways shall bring stability and growth in operations and the related profitability. Completion of the project before the due date can assess bonus from the authority.

Threats:

Since NHAI funds the HAM projects in 60:40 ratio, there exists a funding drawback for getting funds on time for project completion.

Discussion on financial performance with respect to operational performance:

Current Operational and Non-Operational Income and Expenses break-up for the Financial Year 2018-19 is detailed below: -

Table I: Present Financial Situation

(Amount in Rs. Thousands)

Particulars		For the Period From 16 th May 2018 to 31 st March 2019
I.	Revenue:	
	Revenue from operations	10,085
	Other income	674
	Total Revenue	10,759
II.	Expenses:	
	Operating Cost	0
	Other Expenses	10,085
	Total Expenses	10,085
III.	Profit Before Tax	674
	Provision for Taxation	386
	Deferred Tax	(210)
IV.	Profit / (Loss) After Tax	499
V.	Total Comprehensive Income (Comprising Profit (Loss) & Other Comprehensive Income	499

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) as deputed from the holding Company Ircon International Limited and the Company Secretary of the Company is appointed through open market 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 Vadodara Kim Expressway Limited**

**Sd/-
Deepak Sabhlok
Chairman
DIN: 03056457**

**Date: 29.07.2019
Place: New Delhi**

Annexure – B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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	U74999DL2018GOI334028
2.	Registration Date	16 th May 2018
3.	Name of the Company	Iron Vadodara Kim Expressway Limited
4.	Category/Sub-category of the Company	Government Company (Wholly-owned Subsidiary Company of Iron 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 Vadodara Kim Expressway (Sanpa to Padra section of Vadodara Mumbai Expressway) Construction Services: Highway (Expressway) Project (Through EPC Contractor)	42101	0

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.	Iron International Limited	U45203DL1976GOI008171	Holding Company	100% *	Sec 2(46)

* 100% Shares held by Ircan International Limited (Ircan) and its 9 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 16-May, 2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	1000000	1000000	100%	Nil	6000000	6000000	100%	600
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)	Nil	1000000	1000000	100%	Nil	6000000	6000000	100%	600
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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-

Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ` 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	Nil	1000000	1000000	100%	Nil	6000000	6000000	100%	600

Bodies Corporate: 100% Shareholding is with Body Corporate – IIcon International Limited and its 9 Nominees.

B) SHAREHOLDING OF PROMOTERS:

SN	Shareholder's Name	Shareholding at the beginning of the year, as on 16 th May 2018			Shareholding at the end of the year, as on 31 st March 2019			% 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	1000000	100%	-	6000000	100%	Nil	600
	Total	1000000	100%	-	6000000	100%	Nil	600

Shareholding of Promoters: Company is wholly-owned subsidiary of Ircon International Limited – with 60,00,000 Equity Shares of Rs.10/- each i.e. Entire Shareholding held by Indian Promoters. The other 9 shareholders are holding shares “for and on behalf of Ircon International Limited”.

C) CHANGE IN PROMOTERS' SHAREHOLDING:

SN	Particulars	Shareholding at the beginning of the Year, as on 16 th May 2018		Cumulative Shareholding during the Year, as on 31 st March 2019	
		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	1000000	100%	1000000	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.)	Increase in Paid up share capital from 10,00,000 to 60,00,000 w.e.f 20/11/2018 through Right Issue of shares.			
3.	At the End of the Year	6000000	100%	6000000	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				

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):	NOT APPLICABLE
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 31 st March 2017		Cumulative Shareholding during the Year as on 31 st March 2018	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the Beginning of the Year	NIL			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
At the End of the Year				

\$ 200 Equity Shares of Rs.10 each are held by Mr. Ashok Kumar Goyal and 100 Equity Shares of Rs.10 each are held by Mr. Anand Kumar Singh, Mr. Rajendra Singh Yadav and Ms. Anupam Ban, Directors of the Company " For and on behalf of Ircov International Limited"

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

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

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

B. REMUNERATION TO OTHER DIRECTORS:

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

@IrrconVKEL had five Part-time Directors during the financial year 2018-19, 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.

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

S. No.	Particulars of Remuneration #	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.10,21,697	-	Rs.7,43,210	Rs.17,64,907
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 16,050	-	-	Rs. 16,050
	(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)	-	-	-	-
	- Retirement benefits (Pension, PF)	-	-	-	-
	Total	Rs.10,37,747	-	Rs.7,43,210	Rs. 17,80,957

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

**For and on behalf of Board of Directors
of Ircov Vadodara Kim Expressway Limited**

**Date: 29.07.2019
Place: New Delhi**

**Sd/-
Deepak Sabhlok
Chairman
DIN: 03056457**

Annexure – C

REPORT ON CORPORATE GOVERNANCE

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. 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. Our corporate governance framework ensures effective engagement with our management and our stakeholders and helps us evolve with changing times.

1. Company Philosophy and Governance:

IrconVKEL, a wholly-owned subsidiary of Ircon International Limited (IRCON), has since its inception focused on adhering to the principals of integrity, accountability, adequate disclosures and compliances, transparency in corporate decision-making and actions. Procedures and systems have been adopted and been put in place, to ensure timely reporting to varied statutory authorities and streamlining of corporate processes. Functional based roles have been assigned amongst the personnel for managing the corporate work and governance mechanisms in line with the Holding Company, IRCON, have been internalised by the Company.

Good Governance is practised by having effective control over the affairs of the company in the interest of the Company shareholders and other stakeholders.

2. Board of Directors

2.1 Composition of Board: -

Pursuant to Article 54 of the Articles of Association (AOA) of the Company, the power to appoint directors is with the holding company, Ircon International Limited ('Ircon'). Accordingly, the holding company, has appointed five Non-executive directors ('Part-time Directors') on the Board of IrconVKEL through nomination as mentioned below: -

Sl. No.	Directors	Whole-time/ Part-time/ Independent	Date of Appointment	DIN
1.	Mr. Deepak Sabhlok	Part-time Chairman	16.05.2018	03056457
2.	Mr. Ashok Kumar Goyal	Part-time Director	16.05.2018	05308809
3.	Mr. Anand Kumar Singh	Part-time Director	16.05.2018	07018776
4.	Mr. Rajendra Singh Yadav	Part-time Director	16.05.2018	07752915
5.	Ms. Anupam Ban	Part-time Director	16.05.2018	07797026

None of the Directors draw any remuneration and Sitting fees for attending the Meetings from the Company.

2.2 Meetings and Attendance of Board of Directors: -

Six Board Meetings have been held during the financial year 2018-19 in line with the provisions stated in the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 read with Guidelines on Corporate Governance issued by the Department of Public Enterprises.

Proper notices were issued alongwith agenda papers being circulated on time. Detailed explanations were offered at the Board and Shareholder Meetings for the perusal of the Directors and Shareholders with structured proposals being presented to address specific issues.

2.3 The details of the meetings of the board and the attendance of directors alongwith their directorship or membership in other companies and board committees:

SCHEDULE OF BOARD MEETINGS HELD DURING – FY 2018-19 (In compliance of provisions enumerated under Companies Act, 2013 & DPE Corporate Governance Guidelines, 2010)

Sr. No.	No. of Board Meeting	Date of Board Meeting	Time Gap w.r.t. Previous Meeting (No. of Days)	No. of Directors Present	No. of Directors Absent [#]
1.	1 st	May 17, 2018	-	3	2
2.	2 nd	July 3, 2018	46	5	-
3.	3 rd	July 18, 2018	15	5	-
4.	4 th	September 25, 2018	68	5	-
5.	5 th	November 20, 2018	55	5	-
6.	6 th	January 30, 2019	70	5	-

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 IrconVKEL)	Committee Memberships held in Companies / Body Corporates (including IrconVKEL)	
			As Chairman	As Member
Deepak Sabhlok [DIN 03056457]	Part – time Chairman	10 [Ircon, ISTPL, IrconPBTL, IrconSGTL, CERL, CEWRL, MCRL, and IrconDHHL]	1	5

Ashok Kumar Goyal [DIN 05308809]	Part – time Director	5 [ISTPL, IrconISL, IrconPBTL, IrconSGTL, and IrconDHHL]	4	5
Anand Kumar Singh [DIN 07018776]	Part – time Director	3 [IrconPBTL, IrconSGTL and IrconDHHL]	3	4
Rajendra Singh Yadav [DIN 07752915]	Part – time Director	3 [IrconPBTL, IrconSGTL and IrconDHHL]	-	5
Anupam Ban [DIN 07797026]	Part – time Director	3 [IrconPBTL, IrconSGTL and IrconDHHL]	2	1

**Directors who ceased to hold office
(During 2017-18 and thereafter till the date of this report)**

Directors	Whole-time / Part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconDHHL)	Committee Memberships held in Companies / Body Corporates (including IrconDHHL)	
			As Chairman	As Member
NIL				

Notes:

- The number of Directorships is within the maximum limit of: 20 Companies (out of which maximum 10 public companies) under the Companies Act, 2013.
- Directors are not related to each other.
- Directors do not have any pecuniary relationships or transactions with the Company.
- The Directorships / Committee memberships are based on the latest disclosure received from Directors.
- Committee memberships of Audit Committees of all Public Limited Companies have been considered.
- 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.
- Full names of Companies referred:
 - Ircon – Ircon International Limited
 - IrconISL – Ircon Infrastructure Services Limited
 - ISTPL – Ircon-Soma Tollway Private Limited
 - IrconPBTL - Ircon PB Tollway Limited
 - IrconSGTL – Ircon Shivpuri Guna Tollway Limited
 - 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) IrconDHHL – Ircon Davanagere Haveri Highway Limited

3. BoD Meetings and Attendance during 2018-19

The Board Meetings were held on 17.05.2018, 03.07.2018, 18.07.2018, 25.09.2018, 20.11.2018, 30.01.2019. The interval between the Board Meetings was within the period prescribed under the Companies Act, 2013.

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

Number of the Board meetings attended by the Directors during the Financial Year 2018-19 is as follows:

Name of the Director	Number of the Board meetings attended
Deepak Sabhlok	5/6
Ashok Kumar Goyal	5/6
Anand Kumar Singh	6/6
Rajendra Singh Yadav	6/6
Anupam Ban	6/6

4. General Meetings:

The meetings of shareholders held during the year 2018-19 pertain to only one EGM held, as tabulated below:

Table II: General Meeting

Sr. No.	Type of Shareholder Meeting	Date of Meeting	Time	Location	For Transacting	
					Ordinary Business	Special Business
1.	First Extraordinary General Meeting (EGM)	July 23 , 2018	10:30 Hours	Company's Registered Office, Delhi	-	Borrowing Powers of the Company in excess of Paid-up capital and free reserves under Section 180 (1)(c) of companies Act, 2013

5. 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 authorisation 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.

6. CEO/CFO Certification

The Chief Executive Officer and Finance 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 – C1** to this Report).

7. Certificate for Compliance with Corporate Governance Guidelines

DPE Guidelines, 2010 prescribes a certificate to be obtained from the Statutory Auditors or the Practising 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 2018-19, and is attached herewith as **Annexure – C2**.

**For and on behalf of Board of Directors
of Iicon Vadodara Kim Expressway Limited**

**Sd/-
Deepak Sabhlok
Chairman
DIN: 03056457**

**Date: 29.07.2019
Place: New Delhi**

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION

We have reviewed the Financial Statements including the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement for the Financial Year 2018-19 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 auditor's 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. Barj Bhushan Singh
Chief Executive Officer (CEO)

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

Date: 29.07.2019
Place: New Delhi

**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 VADODARA KIM EXPRESSWAY 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, 2019, by Ircon Vadodara Kim Expressway 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 (i) non-appointment of Independent Directors and Constitution of Audit Committee & Remuneration Committee under the provisions of DPE Corporate Governance Guidelines, 2010. However, there is no requirement for Independent Directors, Audit & Remuneration committee as per the provisions of Companies Act, 2013 and also it is understood that the appointment of Directors is being done by the Holding Company i.e. Iicon International Limited (in pursuance with the Articles of Association of the Company) (ii) Also Company has not submitted Quarterly Reports as per the provisions of DPE Corporate Governance Guidelines, 2010.

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**

**Place: New Delhi
Date: 29.07.2019**

Annexure - D

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for the financial year 2018-19

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 IrconVKEL, if any (Rs. in crores)	
1	Ircon International Limited (Ircon), Holding Company.	a)	Execution to EPC Agreement	EPC Agreement dated 09.11.2018 Duration: EPC Work is 730 days from the appointed date intimated by NHAI	The total cost of the project is Rs. 1377.73 Crores.	Not Applicable	NIL
		b)	Leasing of office premises at C-4, District Centre, Saket,	Date: Lease Agreement dated 09.08.2018 Duration: 3 years w.e.f. 17.05.2018			

			New Delhi – 110017.		considering charges for leased premises inside corporate office and increment of 10% on renewal.		
--	--	--	------------------------	--	---	--	--

**For and on behalf of Board of Directors
of Iicon Vadodara Kim Expressway Limited**

**Date: 29.07.2019
Place: New Delhi**

**Sd/-
Deepak Sabhlok
Chairman
DIN: 03056457**

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 VADODARA KIM EXPRESSWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of **IRCON VADODARA KIM EXPRESSWAY LIMITED** for the period ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 09.07.2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **IRCON VADODARA KIM EXPRESSWAY LIMITED** for the period ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Sd/-

(B.R. Mondal)

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi
Date: 29th July 2019



N.C. Raj & Associates

Chartered Accountants

209-210, Vardhman Capital Mall, 10, LSC Gulabi Bagh,
Near Shakti Nagar, Delhi-110052 (INDIA)
Phone : 011-23641717, 23651617
Email : rahul@ncraj.com
Website : www.ncraj.com

REVISED INDEPENDENT AUDITORS' REPORT OF THE STATUTORY AUDITORS, IRCON VADODARA KIM EXPRESSWAY LIMITED

TO THE MEMBERS OF IRCON VADODARA KIM EXPRESSWAY LIMITED, New Delhi,

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the financial statements of Ircon Vadodara Kim Expressway Ltd. which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

This report, revised consequent upon observation of Comptroller of Auditor General of India during the course of audit u/s 139(5) of the Companies Act 2013 ("the Act") for the period from 16th May 2018 to 31st March 2019, supersedes our earlier report dated 2nd May 2019 u/s 143 of Companies Act 2013.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the period from 16th May, 2018 to 31st March, 2019.

Basis for Opinion

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

Key Audit Matters

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



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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the



Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) 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".
- (f) Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5th June 2015, issued by the Central Government of India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There is no pending litigations on its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.;
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (3) As required by Section 143(5) of the Act and as per directions issued by comptroller and Auditor General of India, we report that:

Sl. No.	Directions	Auditor's Replies
(i)	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has Tally system to process all the accounting transactions and used for preparation of the financial accounts. No accounting transaction has been processed outside the IT 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.	Not applicable since no loan has been taken by the Company during the relevant financial year.



(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.	No funds have been received/receivable from any Central or State agencies for any specific schemes during the financial year 2018-19.
-------	---	---

For N C Raj & Associates
Chartered Accountants
Firm's Registration No., 002249N

Rahul Goyal
Partner

Membership No. 093114

UDIN-19093114AAAA03750

Place : New Delhi

Date: 09.07.2019



“Annexure A” to the Independent Auditors’ Report of even date on the Financial Statements of Itron Vadodara Kim Expressway Limited for the period from 16th May, 2018 to 31st March, 2019

- i.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.
 - c) The Company does not have immovable properties during the period of audit.
- ii. The Company does not have any inventory during the period of audit, therefore the reporting under the clause is not applicable.
- iii. According to the information and explanation given to us by the management and records produced, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not dealt with any loans, investments, guarantees and security under section 185 and 186 of the Companies Act, 2013 during the period of audit. Therefore, the reporting under the clause is not applicable.
- v. According to the information and explanations given to us, and as per our examination of records, the Company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable.
- vi. According to the information and explanation given to us by the management, the maintenance of Cost Records as required under section 148(1) of the Companies Act, 2013 is not applicable to the Company.
- vii.
 - a. The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, GST, sales tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable with the appropriate authorities. Employees’ State Insurance is not applicable to the Company. According to the information and explanation given to us, there are no undisputed statutory dues which were outstanding as on 31.03.2019 for a period of more than six months from the date the same become payable.
 - b. According to information and explanation given to us, and as per our examination of records of the Company, following are the particulars of dues on account of GST, sales tax, service tax, entry tax, trade tax, income tax, duty of customs, royalty, provident fund, duty of excise and cess matters that have not been deposited on account of dispute as on 31.3.2019.



Name of the statute	Nature of disputed Dues	Amount outstanding (in Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
NIL				

- viii. According to the information and explanation given to us by the management, the Company has not taken any loans or borrowings from any financial institution, banks, Government or dues to debenture holders during the year. Accordingly, the clause 3(viii) of the order is not applicable.
- ix. The Company has not raised any money by way of any public offer (including debts instruments) and term loan during the year. Accordingly, paragraph 3 (ix) of the order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In view of the Government Notification No. GSR 463 (E) dated 5th June, 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.
- xii. The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period of audit. However, the Company has initially subscribed share capital of Rs 1 Crore from IRCON (including its nominees) and subsequently, the Company raised share capital of Rs 5 Crore from IRCON through Right issue during the period of audit.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him/her, within the provisions of section 192 of the Companies Act, 2013.
- xvi. The Company is not a Non-banking finance company, hence registration under section 45-IA of the Reserve Bank of India Act, 1934 does not arise.

For N C Raj & Associates
Chartered Accountants
Firm's Registration No. 002249N

Rahul Goyal
Partner
Membership No. 093114

Place : New Delhi
Date: 09.07.2019

“Annexure B” to the Independent Auditors’ Report of even date on the Financial Statements of Ircon Vadodara Kim Expressway Limited for the period from 16th May, 2018 to 31st March, 2019

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 the Company as of March 31, 2019 in conjunction with our audit of the standalone 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 (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, "based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For N C Raj & Associates
Chartered Accountants
Firm's Registration No. 002249N

Rahul Goyal
Partner
Membership No. 093114



Place : New Delhi
Date: 09.07.2019

IRCON VADODARA KIM EXPRESSWAY LIMITED
CIN - U74999DL2018G01334028
BALANCE SHEET As at 31st March 2019

(Rs in thousand)

Particulars	Note No.	As at 31st March 2019
I. ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	3	59
(b) Capital Work-in-Progress		-
(c) Investment Property		-
(d) Other Intangible Assets		-
(e) Intangible Assets under Development		-
(f) Financial Assets	4	-
(i) Investments	4.1	66
(ii) Loans	4.2	-
(iii) Others	5	210
(g) Deferred Tax Assets (Net)		-
(h) Other Non-Current Assets		-
Total Non-Current Assets		335
2 Current Assets		
(a) Inventories		-
(b) Financial Assets	6	-
(i) Investments		-
(ii) Trade Receivables	6.1	39,027
(iii) Cash and Cash Equivalents	6.2	-
(iv) Other Bank Balances	6.3	68
(v) Loans	6.4	10,338
(vi) Others		-
(c) Current Tax Assets (Net)	7	14,813
(d) Other Current Assets		-
Total Current Assets		64,246
Total Assets		64,581
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	8	60,000
(b) Other Equity	9	499
Total Equity		60,499
2 Liabilities		
(i) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Trade Payables		-
- 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) Other Non-Current Liabilities		-
Total Non-Current Liabilities		-
(ii) Current Liabilities		
(a) Financial Liabilities	10	
(i) Trade Payables	10.1	
- Total Outstanding of Micro Enterprises and Small Enterprises		-
- Total outstanding dues of Creditor Other than of Micro Enterprises and Small Enterprises		3,667
(ii) Other Financial Liabilities	10.2	31
(b) Other Current Liabilities	11	46
(c) Provisions		-
(d) Current Tax Liability (Net)	11.1	338
Total Current Liabilities		4,082
Total Equity and Liabilities		64,581
III. Summary of Significant Accounting Policies	1-2	
IV. Notes forming part of Financial Statements	3-32	

As per our Report of even date attached

For N C Raj & Associates
Chartered Accountants
Firm No. 002249/19

Renu Choudhary
Partner
M. No. 093114

Place : New Delhi
Date : 02.05.2019



For and on behalf of Board of Directors
Ircan Vadodara Kim Expressway Limited

Deepak Sachdev
Director
DIN-03056457

B B Singh
Chief Executive Officer

Amit Kumar Goyal
Director
DIN-05318809

Raj Kumar
Chief Financial Officer

Anand Kumar Singh
Director
DIN-07018776

Rishi Mahajan
Company Secretary

IRCON VADODARA KIM EXPRESSWAY LIMITED

CIN - U74999DL2018GOI334028

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 16TH MAY 2018 TO 31ST MARCH 2019

		(Rs in thousand)	
Particulars		Note No.	For the period from 16th May 2018 to 31st March 2019
I.	Revenue :		
	Revenue from operations	12	10,085
II.	Other income	13	674
III.	Total Income (I + II)		10,759
IV.	Expenses:		
	Materials and Stores Consumed	14 (i)	-
	(Increase) / Decrease in WIP	14 (ii)	-
	Project Expenses	14 (iii)	3,254
	Employee Benefits Expenses	15	4,382
	Finance Costs	16	1,415
	Depreciation, Amortisation and Impairment	17	1
	Preliminary Expenses		1,032
	Proportionate share of expenses in Integrated Joint operations		-
	Total Expenses (IV).		10,085
V.	Profit Before exceptional items and Tax (III - IV)		674
VI.	Exceptional items		-
VII.	Profit before tax (V + VI)		674
VIII.	Tax expenses:		
	(1) Current tax		
	- For the Period	11.1	386
	- For earlier years (net)		-
	(2) Deferred tax (net)	5	(210)
	Total Tax Expense		175
IX.	Profit for the year from continuing operation (VII - VIII)		499
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		-
	Total Comprehensive Income for the year (IX + X)		499
XI.	Earnings Per Equity Share: (For Continuing Operation)		
	(1) Basic		0.28
	(2) Diluted		0.28
XIII.	Summary of Significant Accounting policies	1 - 2	
XIV.	Notes forming part of financial statements	3 -32	

As per our Report of even date attached

For N C Raj & Associates
Chartered Accountants
FRN : 002249N



Ranbir Goyal
Partner
M. No. 093114

Deepak Sahlok
Director
DIN-03060457

For and on behalf of Board of Directors
Ircan Vadodara Kim Expressway Limited

Ashok Kumar Goyal
Director
DIN-05308809

Anand Kumar Singh
Director
DIN-07010775

B. B. Singh
Chief Executive Officer

Raj Kumar
Chief Financial Officer

Richi Mahajan
Company Secretary

Place : New Delhi
Date : 02.05.2019

IRCON VADODARA KIM EXPRESSWAY LIMITED

CIN - U74999DL2018GO1334028

Cash Flow Statement For The Period 16th May 2018 to 31st March 2019

Rs in thousand

Particulars		As at 31st March 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation		674
Adjustment for :		
Exchange difference on translation of Foreign Operations		-
Actuarial gain / (loss) on remeasurement of defined benefit plan		-
Depreciation, amortization and impairment		1
Profit on sale of assets (net)		-
Profit on Sale of Investments		-
Interest Income		(504)
Dividend Income		-
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		-
Operating Profit before working capital changes	(1)	172
Adjustment for :		
Decrease / (Increase) in Trade Receivables		(134)
/ Financial Assets - Loans		-
Decrease / (Increase) in Inventories		-
Decrease / (Increase) in Other Assets & Financial Assets		(25,022)
(Decrease) / Increase in Trade Payables		3,667
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		77
	(2)	(21,412)
Cash generated from operation	(1+2)	(21,240)
Income Tax Paid		(48)
NET CASH FROM OPERATING ACTIVITIES	(A)	(21,288)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment including CWIP		(60)
Interest Received		375
NET CASH FROM INVESTING ACTIVITIES	(B)	315
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital		60,000
NET CASH FROM FINANCING ACTIVITIES	(C)	60,000
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	-
NET DECREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	39,027
CASH AND CASH EQUIVALENT (OPENING)	(E)	-
CASH AND CASH EQUIVALENT (CLOSING) *	(F)	39,027
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(F - E)	39,027

Note: 1. Effective April 1,2017, the company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosures requirement. The adoption of amendment did not have any material effect on the financial statements.

2. Figures in brackets represent outflow of cash.

As per our Report of even date attached

For N C Raj & Associates,
Chartered Accountants
FRN : 003349N

Rahul Goyal
Partner
M. No. 093114



For and on behalf of Board of Directors
Ircan Vadodara Kim Expressway Limited

Deepak Sahilok
Director
DIN-03056457

Ashok Kumar Goyal
Director
DIN-05308809

Anand Kumar Singh
Director
DIN-07018776

B.B.Singh
Chief Executive Officer

Raj Kumar
Chief Financial Officer

Richi Mahajani
Company Secretary

Place : New Delhi
Date : 02.05.2019



STATEMENT OF CHANGES IN EQUITY

Iron Vadodara Kim Expressway Ltd
Statement of changes in equity as at 31 March 2019

(Rs in thousand)

A. Equity share capital	Balance as at March 31, 2018	Share Issued during the year	Shares buy back during the year	Balance as at March 31, 2019
	0	60,000	-	60,000

B. Other Equity

Particulars	Reserve & Surplus			Items of 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 April 01, 2018	-	0	-	0	0
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Profit for the year	-	499	-	-	499
Other Comprehensive Income	-	-	-	-	-
Remeasurment of Defined Benefit Plans	-	-	-	-	-
Foreign Exchange translation difference	-	-	-	0	-
Total Comprehensive Income for the period	-	499	-	0	499
Buy Back of Equity Shares	-	-	-	-	-
Less : Payment of Fee for increase in Authorised Capital	-	-	-	-	-
Less : Payment for Buy Back of Shares	-	-	-	-	-
Less : Dividends Paid	-	-	-	-	-
Less : Dividend Distribution Tax	-	-	-	-	-
Bonus Issue	-	-	-	-	-
Balance as at March 31, 2019	-	499	-	0	499

As per our Report of even date attached

For N C Raj & Associates
Chartered Accountants
FRN : 002249

Rahul Goyal
Partner
M. No. 093114



Place : New Delhi
Date : 02.05.2019

For and on behalf of Board of Directors
Iron Vadodara Kim Expressway Limited

Deepak Sabhlok
Director
DIN-03056457

B.B. Singh
Chief Executive Officer

Ashok Kumar Goyal
Director
DIN-08368809

Raj Kumar
Chief Financial Officer

Anand Kumar Singh
Director
DIN-07018776

Rishi Mahajan
Company Secretary

IRCON VADODARA KIM EXPRESSWAY LIMITED

1. Corporate Information

Ircon Vadodara Kim Expressway Limited (IrconVKEL) is a wholly owned subsidiary of Ircon International Limited (IRCON), public sector construction company domiciled in India. IrconVKEL (CIN U74999DL2018GOI33402) is incorporated under the provisions of the Companies Act, 2013 applicable in India. The Company came into existence when IRCON was awarded the work of "Eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sapna to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase-VI on Hybrid Annuity mode (Phase IA-Package II)" in accordance with the terms and conditions in the Concession Agreement by National Highway Authority of India (NHAI). In pursuant to the provisions of "Request for Proposal", the selected bidder 'IRCON' has formed a Special Purpose Vehicle (SPV) named Ircon Vadodara Kim Expressway Limited as wholly owned subsidiary of IRCON, incorporated on 16th May, 2018. Accordingly, IrconVKEL has signed the Concession Agreement with NHAI on 25th May, 2018 for the project value amounting to Rs 1865 Crore. The Concession period is 730 days commencing from Appointed Date i.e. 31st Jan, 2019 as notified by NHAI. The registered office of the company is located at C-4, District Centre, Saket, New Delhi- 110017.

2. Significant Accounting Policy under Ind AS

(i). Basis of Preparation

a) Statement of Compliance

The financial statements as at and for year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended.

b) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- i. Defined benefit Plan and other long term employee benefits
- ii. Certain financial assets and liabilities measured at fair value.
- iii. Provisions as per para (x) (D) below, where time value of money is material.

c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenue and expenses. Actual results may differ from these estimates.

Key accounting estimates:



1

2

3

4

5

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Provisions – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Revenue- The Company recognizes revenue for a performance obligation satisfied over time after reasonably estimating its progress towards complete satisfaction of the performance obligation.

The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied and they are probable and are capable of being reasonably measured. For the purpose of making estimates for claims, the company used the available contractual and historical information.

Property, plant and Equipment – Property, plant and Equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialize.

d) All financial information presented in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

(ii). 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.

(iii). Property, plant and equipment

1. Freehold land is carried at historical cost. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.
2. The machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Property, Plant and Equipment.
3. Subsequent cost relating to property, plant & equipment shall be recognized as an asset if:



- to the entity; and
b) the cost of the item can be measured reliably.
4. Cost of asset includes the following
 - i. Cost directly attributable to the acquisition of the assets
 - ii. 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.
 - iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
 5. 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.
 6. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.
 7. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress. Expenses directly attributable to project, prior to commencement of commercial operation, are considered as project development expenditure and shown under Capital Work-in-Progress.

Depreciation

- (a) Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) 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.
- (c) The estimated useful life of assets for current period of significant items of property plant and equipment are as follows:

Particulars	Useful Life (yrs.)
Building/flats residential/non-residential	60
Plant and Machinery	8-15
Survey instruments	10
Computers	3-6
Office Equipment's	5



Handwritten signatures and initials in blue ink at the bottom of the page.

Furniture and fixtures	10
Caravans. Camps and temporary shed	3-5
Vehicles	8-10

- (d) Leasehold land and improvements are amortized over the lower of estimated useful life and lease term.
- (e) Depreciation methods, useful lives and residual values are reviewed at each reporting date 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
- (f) Property plant and equipment acquired during the year, 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 revenue irrespective of its value.

(iv). Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Amortization of Intangible Assets

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

The estimated useful life of intangibles is as follows:

Intangible Assets	Useful Life	Internally generated or self-generated
Software	Finite (36 months)	Acquired

- (b) Amortization methods, useful lives and residual values are reviewed at each reporting date.
- (c) Software cost up to Rs. 1 Lakhs in each case is fully amortized in the year of purchase, by keeping Rs. 1 as token value for identification.

(v). Inventories

- (a) **Construction Work in Progress**

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure to the extent not written off valued at cost.

- (b) **Others**



?

✓

✓

✓

✓

✓

- (i) In Cost Plus contracts, the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (III) below.
- (ii) In Item Rate and Lump Sum Turnkey contracts, the cost of all materials, spares (other than capitalized) and stores are charged to Statement of Profit and Loss in the year of use.
- (iii) Inventories are valued at lower of the cost arrived at on First in First out (FIFO) basis and net realizable value.
- (iv) Loose tools are expensed in the year of purchase.

(vi). Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise of cash at bank, cash in hand, other short term deposits with banks with an original maturity of three months or less and highly liquid investments, that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value and Bank overdraft.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term bank deposits etc., as defined above, net of outstanding bank overdrafts since they are considered integral part of the company's cash management.

(vii). Provisions

A- Provision for Maintenance

- a) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.
- b) Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, the obligations of the sub- contractors, operating turnover and other relevant factors.
- c) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of Rs. 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

B- Provision for Demobilization

Provision for demobilization to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment is made in foreign projects.

C- Others

Provision is recognized when:

- i) The Company has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made.



2

3

4

13/11/17

N. C. Raj

Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

D- Discounting of Provisions

Provision recognised as per above point a, b and c which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

E- Onerous Contract

A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are termed as onerous contract and the present obligation under such contracts is recognized and measured as a provision.

(viii). Revenue Recognition

(a) Service Concession Agreement

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

The Consideration received or receivable by the Company is a right to a financial asset. The Company recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor ("NHAI") for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

The Company has an unconditional right to receive cash as the grantor contractually guarantees to pay specified or determinable amounts to the Company, even if payment is contingent on the Company ensuring that the infrastructure meets specified quality or efficiency requirements.

Contract revenue is recognized when the Company satisfies a performance obligation by transferring a promised service to the grantor. The Company's performance creates /enhances an asset that the grantor controls as the asset is created or enhanced hence, the Company transfers control over time, satisfies a performance obligation over time.

The Company recognise revenue for a performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. However, where the Company is not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation, the Company recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.



1

2

3

13/11/21 A

Kishu

Performance obligation is measured by applying input method. Input methods recognise revenue on the basis of the Company's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. If the company's efforts or inputs are expended evenly throughout the performance period, the Company is recognizing revenue on a straight-line basis. Expected input is adjusted for liquidated damages/penalties (LD) due to delays arising out of the contractual obligations.

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

Revenue is measured at the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised service to the grantor. Damages for delay/Penalty, Escalations and Bonus on early completion is evaluated by the Management for variable considerations and adjusted only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

After contract inception, the transaction price can change for various reasons, including the resolution of uncertain events or other changes in circumstances that change the amount of consideration to which the Company expects to be entitled in exchange for the promised goods or services. The Company then allocates to the performance obligations in the contract any subsequent changes in the transaction price on the same basis as at contract inception. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

The Company account for a contract modification as a separate contract on satisfaction of both of the following conditions:

- a. the scope of the contract increases because of the addition of promised goods or services that are distinct i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available to the customer (goods or service is capable of being distinct) and the Company's promise to transfer the goods or service to the customer is separately identifiable from other promises in the Contract (goods or service is distinct within the context of the contract).
- b. the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

If a contract is not accounted as a separate contract, the Company account for the promised goods or services not yet transferred at the date of the contract modification



Handwritten signatures and initials in blue ink, including a large signature, a checkmark, and the name 'Rishi'.

(i.e. the remaining promised goods or services). The amount of consideration is re determined which is the sum of the consideration promised by the customer that had not been recognised as revenue and the consideration promised as part of the contract modification.

A Contract asset or liability is presented in the Balance Sheet when either party performs in a Contract.

A Contract asset reflects the Company's right to consideration in exchange for good or services that the Company has transferred to the customer. Essentially the Company has performed prior to the payment due date. The Conditions attached with this are other than passage of time. If the payment due date is conditioned only by passage of time, the Company present this separately as a receivable.

A Contract liability is booked when the Company has an obligation to transfer goods or services to a customer. In this situation, the Company has either already receive consideration from the customer, or the customer owes consideration and it is unconditional (the customer pays or owes payment before the Company performs).

b) Other Revenue Recognition

- i) Interest income is recognized using Effective Interest Rate Method.

(ix). Leases

a) Company as a lessee

Finance Lease: -

- (i) that transfers substantially all the risks and rewards incidental to ownership of an asset
- (ii) are capitalised at lease inception at lower of fair value or present value of minimum lease payment
- (iii) payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
- (iv) Finance charges are recognised in finance costs in the statement of profit and loss.
- (v) Depreciated over the useful life of the asset. However, if there is no reasonable certainty to obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease: -

- (i) is classified as operating lease when significant portion of the risk and rewards are not transferred to the company.
- (ii) payments are charged to profit and loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

b) Company as a lessor



Handwritten signatures and initials: 2, J, h, m, P, Richi

Finance Lease

- (i) is recognised when substantially all of the risks and rewards of ownership transfer from the company to the lessee.
- (ii) Payment due are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating Lease

- (i) are the leases in which the company does not transfer substantially all the risks and rewards of ownership to the lessee.
- (ii) incomes are recognized as income in the statement of profit & loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

(x). Impairment of non-financial assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. At each reporting date company assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss. For the purpose of assessing impairment, assets that cannot be tested individually are grouped in to the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets (the cash-generating units).

(xi). Borrowing Cost

Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred. Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of such assets upto the commencement of commercial operations.

(xii). Employee Benefits

a) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

b) Post-employment benefits & other Long Term Employee Benefits

The Post employee benefits & other long term Employee Benefits are provided by Ircan International Limited, the Holding Company, as the employees are on the



2 2 1 Brij AP Richi

deputation from the Holding Company.

(xiii). Taxes

a) Current income tax

- (i) Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- (ii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- (iii) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- (iv) Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

b) Deferred tax

- (i) Deferred income tax is recognized using balance sheet approach.
- (ii) Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- (iii) 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.
- (iv) The carrying amount of deferred income 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 income tax asset to be utilized.
- (v) Deferred tax related to OCI Item is recognized in Other Comprehensive Income (OCI).

(xiv). Operating Segment

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. Accordingly, the Company has identified one reporting segments i.e. Domestic.

(xv). 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.

(xvi). Contingent Liabilities and Contingent Assets



Handwritten signature and initials in blue ink.

Handwritten letter 'A' in blue ink.

Handwritten signature 'BRIJ' and initials 'PP' in blue ink.

Handwritten signature 'Kishu' in blue ink.

- (a) Contingent Liabilities are disclosed in either of the following cases:
- i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - ii) A reliable estimate of the present obligation cannot be made; or
 - iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

(xvii). Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair



Handwritten signatures and initials: A blue checkmark, a signature, a signature, a signature, a signature, and a signature.

value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

(xviii). Dividend to equity holders

Dividend paid/payable shall be recognized in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

(xix). Financial instruments

A. Initial recognition and measurement

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

B. Subsequent measurement

B.1 Financial Assets

Financial assets are classified in following categories:

a). Debt instruments at Amortised Cost

Debt instrument shall be measured at amortised cost if both of the following conditions are met:

(a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and

(b) The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the statement of profit and loss.

Following financial assets are measured at amortised cost: -

- (i) Trade receivable
- (ii) Security deposit
- (iii) Retention money
- (iv) Money held with client
- (v) Cash and cash equivalent
- (vi) Loan and advances
- (vii) Investment in Tax free bonds



Handwritten signatures and initials in blue ink at the bottom of the page.

b). Debt instruments at Fair value through Other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the Fair value through other comprehensive income if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

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 P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

c) Debt instruments at fair value through Profit & Loss (FVTPL)

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

In addition, the company may elect to designate a debt instruments, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

B.2 Financial liabilities

a) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

C. De-recognition

Financial Asset

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.

Financial Liability

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Profit & Loss.

D. Impairment of Financial assets:



Handwritten signatures and initials in blue ink, including a checkmark, a stylized 'h', 'BTS', 'AP', and 'Rich'.

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and contract assets. 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.

Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

(xx). Non-current Assets (or disposal groups) held for Sale

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

If the criteria stated by IND AS 105 "Non-current Assets Held for Sale" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

(xxi) Financial guarantees

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.



Handwritten signatures and initials: 2, [Signature], h, [Signature], [Signature], [Signature]

3 Property, Plant and Equipment

	(Rs in thousand)					
	Computers	Mobile Handset	Office Equipments	Furniture & Fixtures	Vehicles	Total
<u>Gross Carrying Amount (At Cost)</u>						
Additions	60	-	-	-	-	60
Disposals/Adjustments	-	-	-	-	-	-
Exchange Gain/ Loss	-	-	-	-	-	-
At 31 March 2019	60	-	-	-	-	60
<u>Depreciation and impairment</u>						
Depreciation charge for the year	1	-	-	-	-	1
Impairment	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-
Exchange Gain/ Loss	-	-	-	-	-	-
At 31 March 2019	1	-	-	-	-	1
<u>Net book value</u>						
At 31 March 2019						59



59
 2 2 2
 5
 1000
 10000

4 Financial Assets (Non Current)

4.1 Loans

(Rs in thousand)	
Particulars	As at 31st March 2019
A. Considered Good : Secured	
Staff Loans and Advances	66
Total (A) - Considered Good : Secured	66
B. Considered Good : Unsecured	
(i) Loans to Related Parties:	
(ii) Others:	
Staff Loans & Advances *	-
Total (B) - Considered Good : Unsecured (i+ii)	-
C. Significant Increase in Credit Risk	
D. Credit Impaired	
Grand Total - Loans	66

* Details of amount due from Directors:

Particulars	
Amount due from directors included in staff loans and advances	
Total	-

4.2 Other Financial Assets

Particulars	31 March 2019
a) Considered Good	
Security Deposits	
- Government Departments	-
- Others	-
Retention Money with Client	-
Money Withheld by Client	-
Recoverable from Related Parties	-
Total - Other Financial Assets	-
Grand Total - Other Financial Assets	-

Details of amount due from Directors:

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



2 ✓

Q

18/11/19

SP

Picci

5 Deferred Tax Assets

Particulars	(Rs in thousand)
	31 March 2019
Provisions	
Property, Plant and Equipment and Intangible Assets	215
Others	(4)
Closing balance as at 31 March	-
	210

Deferred tax liabilities have been off set as they relate to the same governing law.



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

6 Financial Assets
 6.1 Cash and Cash equivalents

(Rs in thousand)

Particulars	Foot Note	31 March 2019
Cash in hand		-
Cheques/drafts in hand		-
Remittance in Transit		-
<i>Balances with banks:</i>		
- On current accounts		27
- Flexi Accounts		39,000
- Deposits with original maturity of less than 3 months		-
		<u>39,027</u>

6.2 Bank Balances other than Cash and Cash equivalents

(Rs in thousand)

Particulars	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	-
	<u>-</u>



7

2

h

18/3/19

SP

Kew

Financial Assets

6.3 Loans

Particulars	(Rs in thousand)
	31 March 2019
A. Considered Good : Secured	
Staff Loans and Advances	48
Total (A) - Considered Good : Secured	48
B. Considered Good : Unsecured	
(i) Loans to Related Parties:	
(ii) Others:	
Staff Loans & Advances *	20
Total (B) - Considered Good : Unsecured (i) + (ii)	20
C. Significant Increase in Credit Risk	
D. Credit Impaired	
Grand Total	68

* Details of amount due from Directors:

Particulars	As at 31 March 2019
Amount due from directors included in staff loans and advances	
Total	

6.4 Other Financial Assets

Particulars	(Rs in thousand)
	31 March 2019
a) Considered Good	
Security Deposits	
- Government Departments	
- Others	10
Retention Money with Client	
Money Withheld by Client	
Earnest Money Deposit	
Interest Accrued on:	
- Advance to Staff	115
- Loans to Related Parties	
- Deposits with Banks	
b) Contract Asset	129
- Billable Revenue / Receivable not due	10,085
Total - Other Financial Assets - Good	10,338
c) Considered Doubtful	
Security Deposits	
- Government Departments	
- Others	
Earnest Money Deposit	
Retention Money with Client	
Money Withheld by Client	
Less : Impairment allowance for doubtful financial assets (others)	
Total - Other Financial Assets - Doubtful	
Grand Total - Other Financial Others	10,338

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:

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



Handwritten signatures and initials in blue ink, including a large signature that appears to be 'Rishi' and other initials like 'A', 'R', and 'Rishi'.

7 Other Current Assets

		(Rs in thousand)
Particulars	Foot Note	31 March 2019
a) Advances Other than Capital Advances		
Advances to Contractors, Suppliers and Others - Related Party : IRCON		7,650
Advance Recoverable from:		
- Goods & Services Tax		898
Total - Advances Other than Capital Advances		8,547
b) Others		
Interest Accrued on:		
Deposits & Advances with:		
- Contractors, Suppliers & Others		-
Assets held for disposal		-
Prepaid Expenses		6,266
Fair valuation adjustment		-
Lease Equalisation		-
Total - Others		6,266
c) Considered Doubtful		
Advances to Contractors, Suppliers and Others		-
Total - Considered Doubtful		-
Grand Total		14,813



Handwritten signature in blue ink.

Handwritten signature in blue ink.

Handwritten signature in blue ink.

Handwritten signature in blue ink.

8 Equity Share capital

Particulars	(Rs in thousand)	
	As at 31 March 2019	
Authorised share capital		
1,00,00,000 Equity shares of Rs.10 each		1,00,000
Issued/Subscribed and Paid up Capital		1,00,000
60,00,000 Equity shares of Rs.10 each-fully paid		60,000
		60,000

Details of shareholders holding in the company

Name of the shareholder	As at 31 March 2019	
	No. of Share	% holding in the class
Iron International Limited & its nominees	60,00,000	100%
Total	60,00,000	100%

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

	As at 31 March 2019
	No. of Share
Equity shares allotted other than cash	-
Equity shares issued as bonus shares	-
Equity shares Buy Back	-
Total	-

Terms / Rights attached to Equity Shares :

(a) Voting

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

(b) Liquidation

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

Reconciliation of the number of equity shares and share capital

Particulars	As at 31 March 2019	
	No of shares	Rs in thousand
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	-	-
Add: Shares Issued during the year	60,00,000	60,000
Less: Shares Buy Back during the year	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	60,00,000	60,000



Handwritten signatures and initials in blue ink.

Handwritten signatures and initials in black ink.

9 Other Equity

		(Rs in thousand)
Particulars		31 March 2019
(a) Retained Earnings		
Opening Balance		-
Add: Transfer from surplus in statement of profit and loss		499
Closing Balance		499
(b) General Reserve		
Opening Balance		-
Closing Balance		-
Grand Total		499

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.



Handwritten initials in blue ink.

Handwritten initials in blue ink.

Handwritten signature in blue ink.

Handwritten signature in blue ink.

Handwritten signature 'Kewi' in blue ink.

10 Financial Liabilities (Current)

10.1 Trade Payables

		(Rs in thousand)
Particulars		31 March 2019
(A) Micro, Small & Medium Enterprises (Refer Note no. 30)		-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers		2,485
(ii) Related Parties - IRCON		1,182
Total		3,667



Q

2

Q

13/03/19

PP

Kishu

Financial Liabilities (Current)

10.2 Other Financial Liabilities

Particulars	(Rs in thousand)
	31 March 2019
Gratuity Payable	-
Deposits, Retention money and Money Withheld	-
Financial Guarantee Contract	-
Amount Payable to Client	-
Interest Payable on Advance from Client	-
Other Payables (including Staff Payable)	31
Total	31

11 Other Current Liabilities

Particulars	(Rs in thousand)
	31 March 2019
a) Contract Liability	
Advance from clients	-
- Less: Deposits under protest	-
Advance contract receipts	-
b) Others	
Statutory dues	46
Fair valuation adjustment	-
Total	46



Handwritten marks: a checkmark, a signature, and a checkmark.

Handwritten text: 13/3/19

Handwritten text: PP Richu

11.1 Current Tax Liability (Net)

		(Rs in thousand)
Particulars	Foot Note	31 March 2019
Provision for tax (Net of Advance Tax)		338
Current tax Liability (Net)		338

Current Tax Liability (Net) - Breakup

		(Rs in thousand)
Particulars	Foot Note	31 March 2019
Taxes Paid :		
Current Tax Liability		386
Less : Taxes Paid		-48
Total		338



7

Q

h

13/11/19

PP

Rishi

12 Revenue from Operations

(Rs in thousand)	
For the period from 16th May 2018 to 31st March 2019	
Contract Revenue	10,085
- Other Operating Revenue	-
Total	10,085

13 Other Income

(Rs in thousand)	
For the period from 16th May 2018 to 31st March 2019	
Interest Income :	
Interest on Staff Advances	4
Interest on Other Advances from IRCON	166
Interest Income on Unwinding of Financial Instruments	-
Bank Interest Gross	504
Less:- Interest Passed to Clients	504
Others :	
Profit on Sale of Assets	-
Miscellaneous Income	-
Total	674



2 9 h 13/18/19 PP Rishi

14 (i) Materials and Stores consumed

Particulars	Foot Note	(Rs in thousand) For the period from 16th May 2018 to 31st March 2019
Opening Balance		-
Add: Purchases during the year *		-
Less: Closing Balance		-
Total		-

14 (ii) (Increase) / Decrease in WIP

Particulars	Foot Note	(Rs in thousand) For the period from 16th May 2018 to 31st March 2019
Opening Balance		-
Add: Adjustments during the year *		-
Less: Closing Balance		-
Total		-

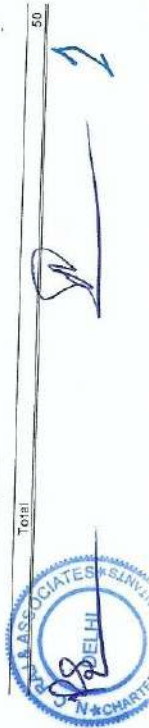
14 (iii) Project and Other Expenses

Particulars	Foot Note	(Rs in thousand) For the period from 16th May 2018 to 31st March 2019
Work Expenses		
Design, Drawing, Business Development & Consultancy Charges		2,440
Rent - Non-residential		239
Rates and Taxes		15
Vehicle Operation and Maintenance		6
Repairs and Maintenance		-
- Building		-
- Office and Others		-
Power, Electricity and Water charges		-
Insurance		-
Travelling & conveyance		377
Printing & stationery		-
Postage, telephone & telex		-
Legal & Professional charges		-
Donation		100
Auditors remuneration	(ii)	50
Miscellaneous expenses		27
Total		3,254

(i) Rent paid to HCON Rs 239 thousand (Basic Rs 203 thousand & GST Rs 36 thousand)

(ii) Payment to Statutory Auditors:

Particulars	(Rs in thousand) For the year ended 31st March 2019
(a) Audit Fee - current year	25
(b) Tax Audit Fees - current year	10
(c) Fee for Quarterly Limited Review	15
(d) Certification Fees	-
(e) Travelling & out of pocket expenses:	-
- Travelling Expenses	-
- Out of Pocket Expenses	-
Total	50



Handwritten notes and signatures on the right margin, including the name 'Nishi' and other illegible marks.

15 Employee Remuneration and Benefits

(Rs in thousand)

Particulars	Foot Note	For the period from 16th May 2018 to 31st March 2019
Salaries, wages and bonus	(i)	3,691
Contribution to provident and other funds		269
Foreign service contribution		-
Retirement Benefits		422
VRS expenses		-
Staff Welfare		-
Total		4,382

Foot Notes:-

(i) Includes income-tax on non-monetary perks Rs. 0.56 thousand.

16 Finance Cost

(Rs in thousand)

Particulars	Foot Note	For the period from 16th May 2018 to 31st March 2019
Bank Guarantee & Other Charges		1,415
Total		1,415

17 Depreciation, amortization and impairment

(Rs in thousand)

Particulars	For the period from 16th May 2018 to 31st March 2019
Property, Plant and equipment	1
Intangible Assets	-
Investment Property	-
Impairment of Assets	-
Total	1



2 9/

h

18/3/19

PA

Kicu



Note: - 18

A. Fair Value Measurements

(i) Category wise classification of Financial Instruments

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

Particulars	(Rs in thousand)		
	Carrying Value	Fair Value	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	-	-	-
Investments in Subsidiaries and Joint Venture**	-	-	-
Investments in Tax Free Bonds (including accrued interest)	-	-	-
(ii) Loans	134	-	-
(iii) Trade Receivables	-	-	-
(iv) Cash and Cash Equivalents	-	-	-
(v) Other Bank Balances	39,027	-	-
(vi) Other Financial Assets**	-	-	-
Total	10,338	-	-
	49,499	-	-

Particulars	(Rs in thousand)		
	Carrying Value	Fair Value	Level 2 Level 3
Financial Liabilities at Amortized Cost			
(i) Borrowings	-	-	-
(ii) Trade Payables	3,667	-	-
(iii) Other Financial Liabilities**	31	-	-
Total	3,698	-	-

B. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.



Handwritten marks: a checkmark, the number '2', and a signature.

Handwritten signature: 'Ravi'

Handwritten signature: 'Ravi'

Handwritten signature: 'Ravi'

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument 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 - NIL

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the company's policies and risk objective. Financial instruments affected by interest rate risk includes tax free bonds and 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.

b) Credit Risk

The Company's customer profile is National Highway Authority of India (NHAI). Accordingly, the Company's customer credit risk is low. The Company's project execution cycle is 730 days. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases retention are substituted with bank / corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

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 five projects.

Particulars	(Rs in thousand)	
	For the period from 16th May, 2018 to 31st March, 2019	March, 2019
Revenue from top five projects		
Exposure to Credit Risk		

Particulars	(Rs in thousand)	
	For the period from 16th May, 2018 to 31st March, 2019	March, 2019
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Non Current Investments		
Non Current Loans		
Other Non Current Financial Assets		66
Current Investments		
Cash and Cash Equivalents		
Other Bank Balances		
Current Loans	39,027	
Other Current Financial Assets		68
Financial Assets for which allowance is measured using Simplified Approach		253
Trade Receivables		
Contract Assets		10,085



Handwritten signature and initials in blue ink.

Handwritten signature in blue ink.

Handwritten initials 'PR' in blue ink.

Handwritten signature 'Ravi' in blue ink.

Summary of change in loss allowances measured using Simplified approach

Particulars	For the period from 16th May, 2018 to 31st March, 2019
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.

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

Particulars	For the period from 16th May, 2018 to 31st March, 2019
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 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 NHAI Bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

The table below provides details regarding the significant financial liabilities as at 31 March 2019.

Particulars	(Rs in thousand)	
	Less than 1 Year	As on 31 March, 2019 1-2 Years 2 Years and above
Borrowings		
Trade payables		
Other financial liabilities	3,667	-
	31	-

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.



Handwritten initials and a signature.

Handwritten signature 'Ravi' and initials 'CP&B'.

Handwritten word 'View'.

C. Capital Management

The Company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Company can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Company has paid dividend as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows :-

Particulars	(Rs in thousand)	
	31-Mar-19	
Dividend Paid		
Total		

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

Particulars	(Rs in thousand)	
	31-Mar-19	
Borrowings		
Long Term Debt		
Equity (Note No.6)		
Other Equity (Note No.6)	60,000	
Total Equity	499	
Debt Equity Ratio	60,499	



Handwritten signature and initials in blue ink.

Handwritten signature and initials in blue ink.

Handwritten signature in blue ink.

IRCON VADODARA KIM EXPRESSWAY LIMITED
NOTES to ACCOUNTS FOR THE PERIOD 16TH MAY 2018 TO 31ST MARCH 2019

19. Contingent liabilities and Contingent Assets:

(I) Contingent Liabilities:

- (a) Claims against the company not acknowledge as debt – NIL
(b) Guarantees excluding financial guarantee – NIL

(II) Contingent Assets : NIL

20. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is Rs NIL.

b) Other Commitments:

Estimated amount of contracts remaining to be accounted for, on other commitments is Rs.1864 crore.

- 21.(a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.

- (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

22. (a) Foreign exchange fluctuations recognised in the statement of profit and loss: NIL

- (b) Disclosure of unhedged foreign currency exposure - NIL

- (c) Earnings in foreign currency (on accrual basis) : NIL

- (d) Expenditure in foreign currency (on accrual basis) : NIL

- (e) CIF value of Imports: NIL

- (f) Material & store consumed: NIL

23. Disclosure regarding Leases:

I. Assets taken on operating lease:

The Company's leasing arrangements are in respect of operating leases of premises for offices. leasing arrangement is cancellable and is usually renewable on mutually agreed terms. The amounts of lease payments during the year are as under:



h Q

h

12/12/19

PO

Kicki

(a) Lease payments in respect of office premises Rs. 239 thousands (included in Project expenses & Other expenses note 14 (iii)).

II. Assets given on operating lease: NIL

24. Segment Reporting:

The Company is operating only in India, which is considered as a single geographical segment, hence segment reporting is not required.

25. Related Party disclosures: Related party to be identified as per IND AS

a) Enterprises where control exists:

(i) Holding Companies: -

- Ircon International Limited (IRCON) – The entire Equity Share Capital of the Company is held by Ircon International Limited (IRCON) Holding company & its nominees.

b) Key management personnel:

Directors from IRCON w.e.f. 16th May, 2018 : - Mr. Deepak Sabhlok, Mr. Ashok Kumar Goyal, Mr. Anand Kumar Singh, Mr. R S Yadav and Ms. Anupam Ban.

Others : Mr. B B Singh, Chief Executive Officer (joined on 7th June, 2018), Mr. Raj Kumar, Chief Financial Officer (joined on 10th Oct, 2018) and Ms. Richi Mahajan, Company Secretary (joined on 4th April, 2019)

(iii). Remuneration to Key management personnel are as under:

Sr.	Particulars	Rs in thousands
		2018-19
I	Salary & allowances	3691
II	Contribution to provident fund, pension	269
III	Sitting fee	-
IV	Other benefits	422
	TOTAL	4382

(iv). Related Party Transactions during the period from 16th May, 2018 to 31st March, 2019

Particular	Transactions (Rs. In thousands)	Outstanding Amount as at 31.03.2019 (Rs. In thousands)
Investment in Equity of IrconVKEL by IRCON	Rs 60,000	Rs 60,000



Handwritten signature and initials.

Handwritten signature.

Handwritten signature and initials.

Handwritten signature.

Remuneration to Key Management Personnel to (iii) above	Rs 4,382	Nil
Reimbursement of preliminary expense, salary & wages, PF contribution, rent, TDS deposited, BG charges, other expenses & staff advance etc to IRCON	Rs. 5,824	Rs 1,182
Mobilisation advance provided to IRCON & interest thereon	Rs 7,666	Rs 7,650

26. During the year, the Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Rs Nil has been provided for."
27. Basic earnings per share are computed by dividing net profit after tax **Rs 499 thousands** by **6,00,00,000** fully paid equity shares of Rs.10 each using weighted time proportion (i.e. No of weighted average share- 17,89,969). As there is no dilution involved, Diluted earnings per share is same as basic earnings per share.

28. Disclosure under Ind AS-19 on Employee benefits

The persons working for Ircon Vadodara Kim Expressway Limited are posted on nomination/secondment basis from IRCON (Holding Company).

The provision for Retirement Benefits of nominated employees in terms of Ind AS-19 is being made by its Holding company as per accounting policy (Note No -2, Point No. (xii)).

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

29. Disclosure under Ind AS-115 on Revenue from contracts with Customers*

(a) Disaggregation of Revenue

Below is the disaggregation of the Company's revenue from contracts with customers:

(Rs. In thousands)

For the year ended March 31, 2019						
Type of goods or service	Railways	Highway	Electrical	Building	Others	Total
Timing of satisfaction of performance obligation:						



Handwritten signatures and initials in blue ink, including a checkmark and the name 'Rishi'.

Over time	-	10,085	-	-	-	10,085
At a point in time	-	-	-	-	-	-
Total	-	10,085	-	-	-	10,085
Method for measuring performance obligation:						
Input method	-	10,085	-	-	-	10,085
Output method	-	-	-	-	-	-
Total	-	10,085	-	-	-	10,085
Geographical markets:						
Domestic	-	10,085	-	-	-	10,085
International	-	-	-	-	-	-
Total	-	10,085	-	-	-	10,085

(b) The reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Revenue from Segment Reporting is Rs. 10,085 thousands.

(c) 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.

(d) Contract Balances:

Particulars	(Rs. In thousands)
	March 31, 2019
Trade Receivables	-
Contract Assets (Note 6.4)	10,085
Contract Liabilities	-

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



Handwritten signatures and initials in blue ink, including a large signature and several smaller initials.

(Rs. In thousands)

Particulars	March 31, 2019
Contract Assets at the beginning of the year	-
Contract Assets at the end of the year	10,085

(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.

Particulars	(Rs. in thousands) March 31, 2019
Contract Liabilities at the beginning of the year	-
Contract Liabilities at the end of the year	-

(e) Revenue recognised in the period from:

(i) The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

Particulars	(Rs in thousands) March 31, 2019
Amount received as Advance in Construction Contracts	-
Amount due to Customers	-

(ii) There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

(f) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from long-term construction contracts:

Particulars	(Rs. in Crore)	
	March 31, 2019	March 31, 2018
Aggregate amount of the transaction price allocated to long-term construction contracts that are partially or fully unsatisfied as at 31 March	1864	* N.A.

*As permitted under the transitional provisions in Ind AS 115, the transaction price allocated to (partially) unsatisfied performance obligations as of March 31, 2018 is not disclosed & not applicable also.

Management expects that transaction price allocated to the unsatisfied contracts as of March 31, 2019 will be recognised as revenue in the future as follows:



Handwritten signatures and initials: 2, a, A, Bin, SP, Richu

	(Rs. in crore)
	March 31, 2019**
In one year or less	932
More than one year to 2 years	932
More than 2 years	-
Total	1864

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

30. Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under: -

Particulars	(Rs)
	For the period from 16 th May 2018 to 31st Mar 2019
(a). the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	-
• Principal amount due to Micro, Small and Medium Enterprises	-
• Interest due on above	-
(b). the amount of interest paid by the Region in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
(c). the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-
(d). the amount of interest accrued and remaining unpaid at the end of each accounting year;	-
(e). the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-



2 9 h

2019 SP Nishi

31. Standards issued but not effective for financial year 2018-19

Ind AS 116 on "Leases" notified by Ministry of Corporate Affairs on 30th March, 2019 is applicable from the financial year commencing on 1st April 2019.

32. The Company was incorporated on 16th May, 2018. This being the first year of operation, the requirements of disclosure of the corresponding figures for the previous year is not applicable.

As per our Report of even date attached


For N C Raj & Associates
Chartered Accountants
FRN : 002249M



Rahul Goyal
Membership No: 093114

For and on behalf of Board of Directors

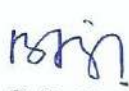
Ircon Vadodara Kim Expressway Limited



Deepak Sabhok
Director
DIN-03056457

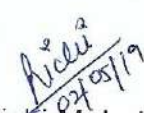

Ashok Kumar Goyal
Director
DIN-05308809


Anand Kumar Singh
Director
DIN-07018776

Place : New Delhi
Date : 02.05.2019


B B Singh
CEO


Raj Kumar
CFO


Richi Mahajan
Company Secretary



Ircon Vadodara Kim Expressway Limited
CIN: U74999DL2018GOI334028
Registered office: C-4, District Centre Saket New Delhi - 110017