



IRCON SHIVPURI GUNA TOLLWAY LIMITED
(IrconSgTL)



4TH ANNUAL REPORT
(2018-19)

STATUTORY AUDITORS

M/s C S Bhatnagar & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s Andros & Co.
Chartered Accountants
Lucknow

BANKERS TO THE COMPANY

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

SECRETARIAL AUDITOR

M/s Sorabh Jain & Associates
Company Secretaries

COST AUDITOR

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

EPC CONTRACTOR TO COMPANY

Ircon International Limited

REGISTERED OFFICE

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



Vision & Mission

VISION

To establish and steer the Company towards development of the Project Highway, the Four-laning of Shivpuri-Guna Section on NH-3 from km 236.000 to Km 332.100 in the State of Madhya Pradesh and ensuring the safety and comfort to highway users by providing the best of the services.

MISSION

- (i) Constructing through site planning, scheduling of project activities, leveling and laying the land, installing systems for measuring quality of construction.
- (ii) To use innovative construction techniques for economizing the construction and maintenance cost by strictly adhering to the efficient planning and vigilant monitoring of the project.
- (iii) Ensuring increased usage of highway over the tenure of concession by keeping a check on toll rates, enabling plying of more and more cars and commercial vehicles on the road, revising the toll rates based on effective traffic sampling.
- (iv) Curtailing costs and channeling resources into required areas.

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Board of Directors

(Part-Time Directors)



Mr. Deepak Sabhlok
Chairman



Mr. Ashok Kumar Goyal
Director



Mr. Anand Kumar Singh
Director

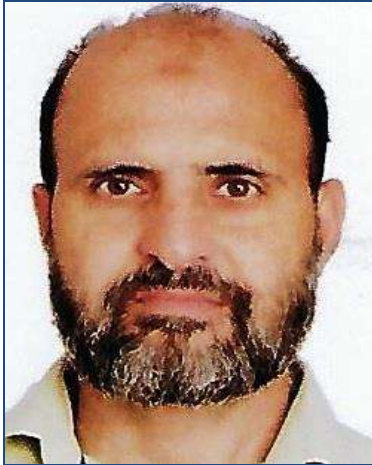


Mr. Rajendra Singh Yadav
Director



Ms. Anupam Ban
Director

Key Executives



Mr. Masood Ahmad Najar
Chief Executive Officer



Mr. Sanjeev Kumar Gupta
Chief Financial Officer



Ms. Sakshi Mehta
Company Secretary

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





Chairman's Address

Dear Shareholders,

It gives me immense pleasure to welcome you all at the 4th Annual General Meeting of your Company. I would like to thank each one of you for making it convenient to attend this meeting.

I would like to highlight some salient features of IrconSGTL.

IrconSGTL was incorporated in May 2015, to execute the project of “four laning of Shivpuri Guna section of NH-3 from km 236.00 to km 332.100 (97.74 Km) in the state of Madhya Pradesh as per the terms and conditions of the Concession Agreement entered into with National Highway Authority of India (NHAI).

The Commercial Operation Date (COD) of Phase – I of the project, which was scheduled in July 2018, has been achieved 1 month and 15 days in advance i.e. on 6th June 2018. Thus, the operation of toll plaza and collection of revenue has been started on the project w.e.f. 7th June 2018. NHAI has awarded an Appreciation Certificate to the Company for successful completion of the project well before the scheduled time.

The average monthly toll collection ranges between Rs. 7 to 7.5 crore.

Financial Performance

The Company's authorized and paid up equity share capital is Rs. 150 crore. During the financial year (FY) 2018-19, IrconSGTL has availed loan of Rs. 561.59 crore against the sanctioned loan amount of Rs. 722.11 crore for meeting the project construction costs.

During the FY 2018-19, the Company has, in terms of its Ind AS Audited Financial Statements dated 2nd May 2019, recognized revenue from operations viz. operating turnover of Rs.149.75 crore in terms of Ind AS 115 “Revenue from Contract with Customers” including Construction Contract Revenue under Service Concession Arrangement (SCA) in its statement of profit and loss.

Since the project has commissioned its tolling operations from June 2018, the revenue generated from tolling operations till 31st March 2019, stands for the value of Rs.72.88 crore.

The Company has incurred a Net Loss before tax of Rs.30.51 crore and Net Loss after tax of Rs.30.61 crore for the financial year ended 31st March 2019 - due to project and other expenditure booked on account of works contract expenses incurred for the financial year ended 31st March 2019.

Compliances and Disclosures

Compliances and Disclosures under the Companies Act, 2013 and its associated rules there under are fully being adhered to. Further, the Company is complying with the Guidelines on Corporate Governance, issued by the Department of Public Enterprises (DPE).

Memorandum of Understanding (MoU) - Your Company has been exempted by the Department of Public Enterprises (DPE) from signing of MoU for the financial year 2018-19 with holding company.

Acknowledgements

I, on behalf of Board of Directors, express my heartfelt thanks for the valuable assistance and co-operation extended to the Company by Ircon International Limited, Auditors of the Company and the valued Client of the Company – National Highways Authority of India. I acknowledge the efforts of the Company's employees, who are our most valuable asset. Their dedication, intellect, hard work, and deep sense of values has been the key to take our company forward. We look forward to your continued support in this journey.

(Deepak Sabhlok)
Chairman

Directors' Report FY: 2018-19

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting 4th Annual Report on the affairs of the Company for the financial year ended 2018-19.

A. BUSINESS OVERVIEW: PRESENT STATE OF AFFAIRS

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

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

Phase – I of the project has been completed 1 month and 15 days before the due date of scheduled completion i.e. 23rd July 2018 and operation of toll plaza has been commenced w.e.f. 7th June 2018. The revenue collected from toll till 31st March 2019 is Rs.72.88 crore.

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

- Equity Share Capital: Rs. 150 crore (Entire equity has been called and expended)
- Secured Loan (Borrowings): Rs. 561.59 crore as on 31st March 2019 (Against the Sanctioned Loan Amount of Rs. 722.11 crore).

B. FINANCIAL PERFORMANCE OF THE COMPANY

In pursuance of the provisions enumerated under Companies (Indian Accounting Standards) Rules, 2015, the Company has prepared its annual financial statements for the financial year 2018-19 as per Indian Accounting Standards (IND AS).

The summarized financial position of the Company for the financial year ended 31st March 2019 as per IND AS is as tabulated below:-

Financial performance Indicators as on 31st March 2019

(Amount in Rs. crore)

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
	(Audited)	(Audited)
1. Equity Share Capital	150	150
2. Other Equity (includes Reserves and Surplus)	(31.36)	(0.73)
3. Loan from Holding Company (Borrowings)	561.59	525.82
4. Intangible Assets under Development	-	682.53
5. Other Intangible Assets	692.41	-
6. Total Assets and Liabilities	705.34	702.23
7. Revenue from Operations	149.75	381.93
8. Other Income	0.43	0.02
9. Total Income (7) + (8)	150.18	381.95
10. Operating cost	180.63	381.92
11. Other Expenses	0.06	0.01
12. Total Expenses (10) + (11)	180.69	381.93
13. Profit / (Loss) Before Tax (9) – (12)	(30.51)	0.02
14. Profit / (Loss) After Tax	(30.61)	(0.06)
15. Other Comprehensive Income	-	-
16. Total Comprehensive Income (Comprising Profit (Loss) & Other Comprehensive Income (15) + (16)	(30.61)	(0.06)

Share Capital

The Authorized and paid-up share capital of the Company is Rs.150 Crore comprising of 15,00,00,000 equity shares of Rs.10 each as on 31st March 2019.

C. CASH FLOWS FROM THE PROJECT

The total decrease in Cash Flows from the project activities during the year is **Rs. 9.52 crore**.

D. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

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

E. BOARD COMMITTEES

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee

The details pertaining to composition of Audit Committee & Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report.

F. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Board has met 7 number of times during the previous financial year 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.

Details of Board Meetings Convened During the FY 2018-19

Sr. No.	Date of Board Meeting	Time Gap w.r.t. Previous Meeting (No. of Days)	No. of Directors Present	No. of Directors Absent
1.	11 th May 2018	79	5	Nil
2.	18 th July 2018	67	5	Nil
3.	25 th September 2018	68	5	Nil
4.	20 th November 2018	55	5	Nil
5.	4 th January 2019	44	4	1
6.	30 th January 2019	25	5	Nil
7.	18 th February 2019	18	4	1

(ii) BOARD OF DIRECTORS

The following Directors are holding office as on date:

S. No.	Directors	Date of Appointment	DIN
1.	Mr. Deepak Sabhlok, Part-time Chairman	12 th May 2015	03056457
2.	Mr. Ashok Kumar Goyal, Part-time Director	12 th May 2015	05308809
3.	Mr. Anand Kumar Singh, Part-time Director	21 st July 2016	07018776
4.	Mr. Rajendra Singh Yadav, Part-time Director	6 th March 2017	07752915
5.	Ms. Anupam Ban, Part-time Director	9 th June 2017	07797026

(iii) KEY MANAGERIAL PERSONNEL

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

Mr. Sanjeev Kumar Gupta has been deputed by the holding company as Chief Financial Officer of the Company, and was declared as Key Managerial Personnel (KMP) of the Company w.e.f. 4th January 2019 vice Mr. Atul Kumar, Chief Financial Officer, who relinquished his charge as CFO in IrconSGTL w.e.f. 21st December 2018.

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

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

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

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a going concern basis; and
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Not Applicable as the Company do not have any Independent Director during the Financial Year 2018-19.

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

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

J. EXTRACT OF ANNUAL RETURN – MGT-9

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

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

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

L. DIVIDEND & RESERVES

The Board of Directors does not recommend any dividend on the Equity Shares of the Company for the FY ended 31st March 2019.

As per the applicability of IND AS, Reserves are reflected as Retained Earnings under the head 'Other Equity' in Financial Statements and your Company has a negative balance of Rs. (31.36) crore in Retained Earnings as on 31st March 2019.

M. DEPOSITS

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

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

During the construction of the highway, adequate measures as stipulated by NHAI had been taken to ensure environment protection and conservation. There was no foreign exchange inflow or outflow during the financial year 2018-19.

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

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

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

P. DETAILS RELATING TO ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal Financial Controls (IFC) in relation to Financial Statements pertain to proper safeguard measures being undertaken in terms of adherence to policies and procedures

being adopted, asset provisioning and recording of expenses and incomes (Financial Reporting).

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

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

Q. RISK MANAGEMENT

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

R. PARTICULARS OF EMPLOYEES

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

S. REPORT ON CORPORATE GOVERNANCE

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

T. AUDITORS

a) Statutory Auditors

M/s CS Bhatnagar & Co., Chartered Accountants, was appointed by the Comptroller and Auditor General of India (C&AG) as Statutory Auditors, to audit the Financial Statements of the Company for the year 2018-19.

b) Secretarial Auditor

M/s Sorabh Jain & Associates, Company Secretaries, was appointed by the Board of Directors to conduct the Secretarial Audit of the Company for the financial year 2018-19.

c) Internal Auditors

The Board of Directors have appointed M/s Andros & Co., Chartered Accountants, as Internal Auditors for three financial years i.e. 2016-17, 2017-18 and 2018-19, to conduct the Internal Audit of the Company.

d) Cost Auditor

M/s Ravi Sahni & Co., Cost Accountants, was appointed by the Board of Directors as Cost Auditors of the Company for the financial year 2018-19, for conducting the audit of cost records maintained by the Company as per the applicable Rules/Guidance Note, etc.

U. CSR COMMITTEE

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

V. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

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

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

After the close of the year, the Company has repaid Rs.11.24 crore on 30th June 2019 to holding company as the 1st instalment of loan already taken and further taken loan of Rs.18 crore from holding company (Ircon) in July 2019.

X. MEMORANDUM OF UNDERSTANDING

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

XI. MSE COMPLIANCE

It always has been endeavour of IrconSGTL to support Micro and Small Enterprises (MSEs) and local suppliers. IrconSGTL has taken a number of steps including the necessary steps to implement the Public Procurement Policy of the Government of India to procure the items specified from MSEs. The actual procurement from MSEs during the year was Rs. 0.46 lakhs vis-à-vis total annual procurement target of Rs.0.50 lakhs of the Company.

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

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

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

ACKNOWLEDGEMENT

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

**For and on behalf of Board of Directors
of Ircn Shivpuri Guna Tollway Limited**

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

**Date: 29.07.2019
Place: New Delhi**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)**(i) Industry Structure and Developments**

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

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

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

(ii) Strengths and Weaknesses**➤ Strengths**

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

➤ **Weaknesses**

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

(iii) Opportunities and Threats

➤ **Opportunities**

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

➤ **Threats**

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

(iv) Outlook

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

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

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

Table I: Present Financial Situation

Particulars		(Amount in Rs. Crore)
		For the Period From 1st April 2018 to 31st March 2019
I.	Revenue :	
	Revenue from operations	149.75
	Other income	0.43
	Total Revenue	150.18
II.	Expenses:	
	Project Expenses	101.59
	Employee benefits Expenses	1.15
	Finance Costs	43.49
	Depreciation, amortization and impairment	34.40
	Other Expenses	0.06
	Total Expenses	180.69
IV.	Profit / (Loss) Before Tax	(30.51)

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

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

**For and on behalf of Board of Directors
of Ircn Shivpuri Guna Tollway Limited**

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

**Date: 29.07.2019
Place: New Delhi**

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

* 100% Shares held by Ircon International Limited (Ircon) and its 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 31-March-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	150000000	150000000	100%	Nil	150000000	150000000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)	Nil	150000000	150000000	100%	Nil	150000000	150000000	100%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) 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 Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	Nil	150000000	150000000	100%	Nil	150000000	150000000	100%	-

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

B) SHAREHOLDING OF PROMOTERS:

SN	Shareholder's Name	Shareholding at the beginning of the year, as on 31 st March 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	150000000	100%	-	150000000	100%	Nil	-
	Total	150000000	100%	-	150000000	100%	Nil	-

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

The other 9 shareholders are holding 100 shares each “for and on behalf of Ircon International Limited”.

C) CHANGE IN PROMOTERS' SHAREHOLDING:

SN	Particulars	Shareholding at the beginning of the Year, as on 31 st March 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	150000000	100%	150000000	100%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
3.	At the End of the Year	150000000	100%	150000000	100%

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

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

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL \$:

Shareholding of Each Director(s) and Each Key Managerial Personnel	Shareholding at the beginning of the Year, as on 31 st March 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
At the Beginning of the Year	-			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
At the End of the Year	NIL			

\$ 100 equity shares of Rs. 10 each held by the directors of the Company, viz. Mr. Deepak Sabhlok, Mr. Ashok Kumar Goyal, Mr. Rajendra Singh Yadav and Ms. Anupam Ban, only "For and on behalf of Ircon International Limited (Ircon)."

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	525,82,00,000	-	-	525,82,00,000
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	525,82,00,000			
Change in Indebtedness during the financial year				
* Addition	35,77,00,000			35,77,00,000
* Reduction				
Net Change	35,77,00,000			
Indebtedness at the end of the financial year				
i) Principal Amount	561,59,00,000	-	-	561,59,00,000
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	561,59,00,000			

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		

@IIconSGTL 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.

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	

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

(Amount in Rs.)

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. Masood Ahmad Najar	CFO ** Mr. Atul Kumar (From April 2018 till December 2018)	CS Ms. Sakshi Mehta	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,60,847	9,44,186	4,70,484	38,75,517
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify				
	- Performance linked incentive (PRP)	8,71,276	2,64,228	-	11,35,504
	- Retirement benefits (Pension, PF)	7,07,823	2,74,286	21,600	10,03,709
	Total	40,39,946	14,82,700	4,92,084	60,14,730

**** Mr. Atul Kumar, erstwhile CFO of the Company, has withdrawn remuneration till December 2018 as he ceased to hold office in IrconSGTL w.e.f. 21st December 2018. However, Mr. Sanjeev Kumar Gupta has been deputed by the holding company as CFO and was declared as KMP w.e.f. 4th January 2019, and has not withdrawn remuneration during 2018-19.**

I. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

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

**Date: 29.07.2019
Place: New Delhi**

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

FORM NO. AOC-2

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

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

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

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

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

**Date: 29.07.2019
Place: New Delhi**

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

REPORT ON CORPORATE GOVERNANCE

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

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

2. Board of Directors

2.1 Composition of Board:-

The Company has a non-executive board with its members as Mr. Deepak Sabhlok, Chairman, Mr. Ashok Kumar Goyal, Director, Mr. Anand Kumar Singh, Director, Mr. Rajendra Singh Yadav, Director, and Ms. Anupam Ban, Director.

Part-time Directors, nominated on the Board by the holding company, do not draw any remuneration from the Company. No sitting fee is paid to the part-time directors.

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

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

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

Directors	Whole-time / Part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconSGTL)	Committee Memberships held in Companies / Body Corporates (including IrconSGTL)	
			As Chairman	As Member
Mr. Deepak Sabhlok [DIN 03056457]	Part – time Chairman	9 [Ircon, ISTPL, IrconPBTL, IrconDHHL, CERL, CEWRL, MCRL, IrconVKEL, and BRPL]	1	5

Mr. Ashok Kumar Goyal [DIN 05308809]	Part – time Director	5 [ISTPL, IrconISL, IrconPBTL, IrconDHHL, and IrconVKEL]	4	4
Mr. Anand Kumar Singh [DIN 07018776]	Part – time Director	3 [IrconPBTL, IrconDHHL and IrconVKEL]	3	3
Mr. Rajendra Singh Yadav [DIN 07752915]	Part – time Director	3 [IrconPBTL, IrconDHHL and IrconVKEL]	NIL	5
Ms. Anupam Ban [DIN 07797026]	Part – time Director	3 [IrconPBTL, IrconDHHL and IrconVKEL]	1	NIL

DIRECTORS WHO CEASED TO HOLD OFFICE
(During 2018-19 and thereafter till the date of this report)

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

- c) ISTPL – Ircon-Soma Tollway Private Limited
- d) IrconPBTL - Ircon PB Tollway Limited
- e) IrconDHHL – Ircon Davanagere Haveri Highway Limited
- f) CERL – Chhattisgarh East Railway Limited
- g) CEWRL - Chhattisgarh East-West Railway Limited
- h) MCRL – Mahanadi Coal Railway Limited
- i) IrconVKEL – Ircon Vadodara Kim Expressway Limited
- j) BRPL – Bastar Railway Private Limited

3. BoD Meetings and Attendance during 2018-19:

- a) The Board of Directors met 7 times during the financial year (FY) 2018-19 on: 11th May 2018, 18th July 2018, 25th September 2018, 20th November 2018, 4th January 2019, 30th January 2019 and 18th February 2019.
- b) Leave of absence was granted in terms of section 167(1)(b) of the Companies Act, 2013.
- c) Details of attendance of the Directors and Company Secretary during 2018-19:

Directors	No. of Board Meetings during 2018-19		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Mr. Deepak Sabhlok	7	7	YES
Mr. Ashok Kumar Goyal	7	7	YES
Mr. Anand Kumar Singh	7	7	YES
Mr. Rajendra Singh Yadav	7	5	YES
Ms. Anupam Ban	7	7	YES

Ms. Sakshi Mehta, Company Secretary, attended all the 7 meetings held during the FY 2018-19.

4. Committees of BoD

4.1 Audit Committee

4.1.1 Terms of Reference

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

- (i) **the recommendation** for appointment, remuneration and terms of appointment of auditors of the company;

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

4.1.2 **Audit Committee – Composition and Attendance:**

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

The present composition of the Committee is:

Mr. Anand Kumar Singh	-	Part-time Director as Chairman
Mr. Ashok Kumar Goyal	-	Part-time Director as Member
Mr. Rajendra Singh Yadav	-	Part-time Director as Member

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

The Audit Committee met 6 times during the financial year 2018-19 on 18th June 2018, 17th July 2018, 26th October 2018, 19th November 2018, 30th January 2019 and 18th February 2019. The attendance details of said meetings are:

Member	No. of Audit Committee Meetings during 2018-19	
	Held (during their respective tenures)	Attended
Mr. Anand Kumar Singh	6	6
Mr. Ashok Kumar Goyal	6	6
Mr. Rajendra Singh Yadav	6	5

Ms. Sakshi Mehta, Company Secretary, attended all the Audit Committee meetings held during 2018-19.

4.1.3 **Nomination and Remuneration Committee**

As per section 178 of the Companies Act 2013, read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provides for constitution of Nomination and Remuneration Committee in all public companies with a paid up capital of Rs. 10 crores or more, or having turnover of Rs.100 Crores or more, or having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding Rs.50 Crores or more. The Committee shall

consist of three or more non-executive directors out of which not less than one half shall be independent directors.

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

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

The Committee was re-constituted on 14th March 2017. The constitution of the Committee is as under:-

- | | | |
|--------------------------------|---|--------------------------------|
| (i) Mr. Ashok Kumar Goyal | - | Part-Time Director as Chairman |
| (ii) Mr. Anand Kumar Singh | - | Part-Time Director as Member |
| (iii) Mr. Rajendra Singh Yadav | - | Part-Time Director as Member |

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

Terms of Reference

The Nomination and Remuneration Committee (NRC) shall-

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

The Committee has met 2 times during 2018-19 on 11th May 2018 and 4th January 2019. The attendance details of the said meetings are:

Member	No. of Nomination & Remuneration Committee (NRC) Meetings during 2018-19	
	Held (during their respective tenures)	Attended
Mr. Ashok Kumar Goyal	2	2
Mr. Anand Kumar Singh	2	2
Mr. Rajendra Singh Yadav	2	1

Ms. Sakshi Mehta, Company Secretary, attended all the NRC meetings held during 2018-19.

5. General Body Meetings

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

Table II: General Meetings

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

NA denotes: Not Applicable

6. Disclosures and Statutory Compliances:-

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

7. CEO/CFO Certification

The Chief Executive Officer and Chief Financial Officer have certified in writing with respect to the truth and fairness of the financial statements, due compliances, and financial reporting which was placed before the Audit Committee and the Board of Directors (placed as "**Annexure – D-1**" to this Report).

8. Certificate for Compliance with Corporate Governance Guidelines

DPE Guidelines, 2010 prescribes a certificate to be obtained from the Statutory Auditors or the Practicing Company Secretary for corporate governance guidelines followed by the

Company (Chapter 8: Report, Compliance and Schedule of Implementation – Clause 8.2: Compliance).

The said certificate was obtained from the Practising Company Secretaries (PCS), Arun Kumar Gupta and Associates, Company Secretaries, having office at 1005, Roots Tower, Plot No. 7, District Centre, Laxmi Nagar, Delhi – 110092, for the Financial Year 2018-19, and is attached herewith as **ANNEXURE – “D-2”**.

**For and on behalf of Board of Directors
of Ircos Shivpuri Guna Tollway Limited**

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

**Date: 29.07.2019
Place: New Delhi**

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

We have reviewed the Financial Statements including the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement for the Financial Year 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 auditors deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to rectify these deficiencies.
- (v) We have indicated to the Auditor any changes in Accounting Policies that may have been effected during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
- (vi) There was no instance of fraud of which we are aware nor there has been involvement of the Management or an employee having a significant role in the Company’s internal control system over financial reporting.

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

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

**Date: 02.05.2019
Place: New Delhi**

Annexure – “D-2”



ARUN KUMAR GUPTA & ASSOCIATES
COMPANY SECRETARIES

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

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

To
The Members of
Ircon Shivpuri Guna Tollway 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 Shivpuri GunaTollway 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 on its Board and Constitution of*

Audit Committee and Nomination & Remuneration Committee without Independent Directors, under the provisions of DPE Corporate Governance Guidelines, 2010. However, it is exempt under 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. Ircon 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. However, the Company has duly submitted its Annual Report to DPE.

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



**SORABH JAIN AND ASSOCIATES
COMPANY SECRETARIES**

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

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2019**

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

To,
**The Members
IRCON SHIVPURI GUNA TOLLWAY LIMITED
Plot No. C-4, District Centre Saket, New Delhi -110017.**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **IRCON Shivpuri Guna Tollway Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **IRCON Shivpuri Guna Tollway Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **IRCON Shivpuri Guna Tollway Limited** for the financial year ended on March 31, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;**(Not Applicable to the Company)**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;**(Not Applicable to the Company)**

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(Not Applicable to the Company during the period)**;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;**(Not applicable to the Company)**.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;**(Not applicable to the Company)**.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009;**(Not applicable to the Company)**.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**(Not Applicable to the Company)**.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not applicable to the Company)**.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;**(Not applicable to the Company)**.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company)**and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not applicable to the Company)**.
- vi. We further report that, having regards to the compliance system prevailing in the company, on examination of the documents provided by the company, the company has complied with the following laws applicable to the company:
 - a. The Building and other Construction workers (Regulation of Employment and Conditions of Services) Act, 1996;
 - b. Building and other Construction workers welfare Cess Act, 1996;
 - c. Environmental Laws, as applicable;
 - d. Labour Laws, as applicable.

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

We further report:

That the Board of Directors of the Company is duly constituted with only Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

That adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously.

That as per the relevant provision of the Companies Act, 2013, the company has appointed the Cost Auditor after expiry of the due time period.

That as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Sorabh Jain & Associates
Company Secretaries**

**Sd/-
Sorabh Jain
Proprietor
M. No. A45034
C.P. No. 16489**

**Place: Delhi
Dated: 29.07.2019**

Annexure to Secretarial Audit Report

To,
The Members,
Irrcon Shivpuri Guna Tollway Limited
C-4 District Centre, Saket
New Delhi-110017

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sorabh Jain & Associates
Company Secretaries**

**Sd/-
Sorabh Jain
Proprietor
M. No. A45034
C.P. No. 16489**

**Place: Delhi
Dated: 29.07.2019**

STATUTORY AUDITORS' REPORT

C.S Bhatnagar & Co.
CHARTERED ACCOUNTANTS

G.S Bhatnagar (FCA)
Chartered Accountant

Y.S Bhatnagar (FCA)
Chartered Accountant

64, Regal Building
ConnaughtPlace, New Delhi- 110001

Tel: 011 23361674, 23347019
E-mail: hatnagar.csb@gmail.com
Website: www.csbandco.com

INDEPENDENT AUDITORS' REPORT

To,
The Members,
IRCON SHIVPURI GUNA TOLLWAY LIMITED,
C-4, District Centre, Saket, New Delhi-110017.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying IND AS financial statements of M/s IRCON SHIVPURI GUNA TOLLWAY LIMITED ("the Company") 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 year ended on that date.

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 there under, 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.

Responsibilities of Management and Those Charged with Governance for the 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 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 Region 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** 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 Region 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 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) 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. The company does not have any pending litigations which impact it's on its financial position in its financial statements;

- ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There 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.	No, company has no case of any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
(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 M/s C. S. Bhatnagar & Co.
Chartered Accountants,
Firm's Reg. No. 001292N

Place: New Delhi
Date:- 02.05.2019

Sd/-
(G. S. Bhatnagar)
Partner
M. No. 081536

“Annexure A” to the Independent Auditors’ Report of even date on the Financial Statements of the company for the year ended 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 any immovable properties.
- ii. The company does not have any inventory as on date of report. Therefore the reporting under this clause 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 in respect of loans, investments, guarantees and security as per the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, paragraph 3(iv) of the Order is not applicable to the company.
- 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. We were informed that the Company has maintained cost records at Head Office as required under section 148(1) of the Companies Act, 2013.
- 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. The company has not defaulted in the repayment of loans or borrowings to 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 taken a secured loan from Holding Company during the current financial year and its repayments are not yet due.
- x. According to the information and explanations given to us, no fraud by the company nor 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 year under review.
- 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, 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 M/s C. S. Bhatnagar & Co.
Chartered Accountants,
Firm's Reg. No. 001292N

Sd/-
(G. S. Bhatnagar)
Partner
M. No. 081536

Place: New Delhi
Date:- 02.05.2019

“Annexure B” to the Independent Auditors’ Report of even date on the Financial Statements of the Company for the year ended 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 **M/s IRCON SHIVPURI GUNA TOLLWAY LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on, “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Region’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, 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 M/s C. S. Bhatnagar & Co.
Chartered Accountants,
Firm's Reg. No. 001292N

Place: New Delhi
Date:- 02.05.2019

Sd/-
(G. S. Bhatnagar)
Partner
M. No. 081536

Financial Statements (FY: 2018-19)



		(Rs in Crores)		(in Rs. crore)	
Particulars		Note No.	As at 31st March 2019	As at 31st March 2018	
I. ASSETS					
1 Non-current assets					
(a) Property, Plant and equipment	3	0.07	0.01		
(b) Intangible Assets	4	692.41	-		
(c) Intangible assets under development	4	-	682.53		
(d) Financial Assets					
(i) Others	4.1	0.11	0.01		
(e) Deferred tax assets (Net)	5	0.07	0.17		
Total Non-current assets			<u>692.66</u>	<u>682.72</u>	
2 Current assets					
(a) Financial Assets	6				
(i) Trade Receivables	6.1	0.70	17.70		
(ii) Cash and cash equivalents	6.2	9.61	0.08		
(iii) Loans	6.3	-	-		
(iv) Others	6.4	0.03	-		
(b) Current Tax Assets (Net)	7.1	1.91	1.22		
(c) Other current assets	7	0.43	0.51		
Total Current assets			<u>12.68</u>	<u>19.51</u>	
Total Assets			<u>705.34</u>	<u>702.23</u>	
II. EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share Capital	8	150.00	150.00		
(b) Other Equity	9	-31.36	-0.73		
Total Equity			<u>118.64</u>	<u>149.27</u>	
2 Liabilities					
(i) Non-current liabilities					
(a) Financial Liabilities	10				
(i) Borrowings	10.1	516.66	525.82		
(ii) Trade Payables	10.2	-	-		
- Dues of Micro Enterprises and Small Enterprises					
- Total outstanding dues Other than of Micro Enterprises and Small Enterprises					
Total Non-current liabilities			<u>516.66</u>	<u>525.82</u>	
(ii) Current liabilities					
(a) Financial Liabilities	11				
(i) Borrowings	11.1	44.93	-		
(i) Trade payables	11.2				
- Dues of Micro Enterprises and Small Enterprises					
- Total outstanding dues Other than of Micro Enterprises and Small Enterprises		20.83	24.94		
(ii) Other financial liabilities	11.3	2.44	0.23		
(b) Other current liabilities	12	1.83	1.97		
Total Current liabilities			<u>70.03</u>	<u>27.14</u>	
Total Equity and Liabilities			<u>705.34</u>	<u>702.23</u>	
III. Summary of Significant Accounting policies		1 - 2			
IV. Notes forming part of financial statements		23-38			

As per our Report of even date attached

For and on behalf of Ircan Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.
Chartered Accountants
FRN 01292N

(Deepak Sabhlok)
Chairman
DIN-03056457

(Anand Kumar Singh)
Director
DIN-07018776

(Ashok Kumar Goyal)
Director
DIN-05308809

(CA G S Bhatnagar)
Partner
M. No. 081536

(Masood Ahmad Najjar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 02.05.2019

(in Rs. crore)

Particulars	Note No.	For the Period ended 31st March 2019	For the year ended 31st March 2018
I. Revenue :			
Revenue from operations	13	149.75	381.93
II. Other income	14	0.43	0.02
III. Total Income (I + II)		150.18	381.95
IV. Expenses:			
Project Expenses	15	101.59	348.73
Employee benefits expenses	16	1.15	1.35
Finance costs	17	43.49	31.84
Depreciation, amortization and impairment	18	34.40	-
Other Expenses	15	0.06	0.01
Total Expenses (IV).		180.69	381.93
V. Profit Before exceptional items and Tax (III - IV)		-30.51	0.02
VII. Profit before tax (V + VI)		-30.51	0.02
VIII. Tax expenses:			
(1) Current tax	5		
- For the Period		-	-
- For earlier years (net)		-	-
(2) Deferred tax (net)		0.10	0.08
Total Tax Expense		0.10	0.08
IX Profit for the period from continuing operation (VII - VIII)		-30.61	-0.06
X Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to Items that will be reclassified to profit or loss		-	-
		-	-
XI Total Comprehensive Income for the period (IX +X) (Comprising profit and other comprehensive income for the year, net of tax)		-30.61	-0.06
XII Earnings Per Equity Share: (For Continuing Operation)			
(1) Basic	21	-2.04	-0.00
(2) Diluted		-2.04	-0.00
XIII Summary of Significant Accounting policies	1 - 2		
XIV Notes forming part of financial statements	23-38		

As per our Report of even date attached

For and on behalf of Ircn Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.
Chartered Accountants
FRN 01292N

(Deepak Sabhlok)
Chairman
DIN-03056457

(Anand Kumar Singh)
Director
DIN-07018776

(Ashok Kumar Goyal)
Director
DIN-05308809

(CA G S Bhatnagar)
Partner
M. No. 081536

(Masood Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 02.05.2019

Particulars		As at 31st March 2019	As at 31st March 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		-30.53	0.02
Adjustment for :			
Exchange difference on translation of Foreign Operations		-	-
Actuarial gain / (loss) on remeasurement of defined benefit plan		-	-
Depreciation, amortization and impairment		34.39	-
Profit on sale of assets (net)		-	-
Profit on Sale of Investments		-	-
Interest Income		(0.30)	-
Dividend Income		-	-
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		-	-
Operating Profit before working capital changes	(1)	3.56	0.02
Adjustment for :			
Decrease / (Increase) in Trade Receivables / Financial Assets - Loans		17.01	(17.70)
Decrease / (Increase) in Inventories		-	-
Decrease / (Increase) in Other Assets & Financial Assets		(0.02)	8.61
(Decrease) / Increase in Trade Payables		(4.11)	14.24
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		1.38	0.80
	(2)	14.26	5.95
Cash generated from operation	(1+2)	17.82	5.97
Income Tax Paid		-	0.02
NET CASH FROM OPERATING ACTIVITIES	(A)	17.82	5.99
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(44.33)	(381.86)
Purchase of Intangible Assets		-	-
Purchase / Proceeds of Investment Property		-	-
Sale of Property, Plant and Equipments & Intangible Assets		-	-
Exchange Gain/ Loss on Property, Plant and Equipment		-	-
Sale of Investments		-	-
Investments in Mutual Funds		-	-
Loan to Subsidiaries & Joint Ventures		-	-
Repayment of Loan from Subsidiaries & Joint Ventures		-	-
Interest Received		0.26	-
Dividend Received		-	-
Investment in Equity Shares		-	-
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)		-	-
NET CASH FROM INVESTING ACTIVITIES	(B)	(44.07)	(381.86)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan From IRCON		35.77	363.17
Final Dividend (including Dividend Distribution Tax) paid		-	-
Interim Dividend (including Dividend Distribution Tax) paid		-	-
Payment of Fee for increase in Authorised Capital		-	-
Payment to DIPAM for Buy Back of Shares		-	-
NET CASH FROM FINANCING ACTIVITIES	(C)	35.77	363.17
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	-	-
NET DECREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	9.52	(12.70)
CASH AND CASH EQUIVALENT (OPENING)	(E)	0.08	12.78
CASH AND CASH EQUIVALENT (CLOSING) *	(F)	9.60	0.08
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(F - E)	9.52	(12.70)

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.

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

As per our Report of even date attached

For and on behalf of Ircon Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.
Chartered Accountants
FRN 01292N

(Deepak Sabhlok)
Chairman
DIN-03056457

(Anand Kumar Singh)
Director
DIN-07018776

(Ashok Kumar Goyal)
Director
DIN-05308809

(CA G S Bhatnagar)
Partner
M. No. 081536

(Masood Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 02.05.2019



STATEMENT OF CHANGES IN EQUITY

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
Statement of changes in equity as at 31 March 2018

(in Rs. crore)

A. Equity share capital	Balance as at April 01, 2017	Shares buy back during the year	Balance as at March 31, 2018
	150.00	-	150.00

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, 2017	-	-0.67	-	-	-0.67
Changes in accounting policy or prior period errors		-			-
Restated balance at the beginning of the reporting period	-	-0.67	-	-	-0.67
Profit for the year (Restated)		-0.06			-0.06
Other Comprehensive Income					
Remeasurment of Defined Benefit Plans		-			-
Foreign Exchange translation difference				-	-
Total Comprehensive Income for the year	-	-0.06	-	-	-0.06
Buy Back of Equity Shares			-		
Less : Payment of Fee for increase in Authorised Capital		-			-
Less : Payment for Buy Back of Shares		-			-
Dividends Paid		-			-
Dividend Distribution Tax		-			-
Bonus Issue		-			-
Balance as at March 31, 2018	-	-0.73	-	-	-0.73

As per our Report of even date attached

For and on behalf of Ircon Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.
Chartered Accountants
FRN 01292N

(Deepak Sabhlok)
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Company Secretary

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STATEMENT OF CHANGES IN EQUITY

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
Statement of changes in equity as at 31 March 2019

(in Rs. Crore)

A. Equity share capital	Balance as at April 01, 2018	Shares buy back during the year	Balance as at March 31, 2019
	150.00	-	150.00

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	-	-0.73	-	-	-0.73
Changes in accounting policy or prior period errors		-			-
Restated balance at the beginning of the reporting period	-	-0.73	-	-	-0.73
Profit for the year		-30.63			-30.63
Other Comprehensive Income					
Remeasurment of Defined Benefit Plans		-			-
Foreign Exchange translation difference				-	-
Total Comprehensive Income for the period	-	-30.63	-	-	-30.63
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		-			-
Less: Bonus Issue		-			-
Balance as at March 31, 2019	-	-31.36	-	-	-31.36

As per our Report of even date attached

For and on behalf of Ircan Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.
Chartered Accountants
FRN 01292N

(Deepak Sabhlok)
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Partner
M. No. 081536

(Masood Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 02.05.2019

1. Corporate Information

Ircon ShivpuriGunaTollway Limited is a wholly owned subsidiary of Ircon International Limited domiciled in India and is incorporated under the provisions of companies Act 2013 applicable in India. The company came into existence when, Ircon International Limited has been awarded the work of 'Four Laning of Shivpuri - Guna Section of NH-3 from km 236.000 to km 332.100 (Stage - 1) in the state of Madhya Pradesh on DBFOT basis in accordance with the terms and conditions in the concession agreement by National Highway Authority of India (NHAI). In pursuant to the provisions of 'Request for Proposal', the selected bidder 'Ircon International Limited' has formed a Special Purpose Vehicle (SPV) named Ircon ShivpuriGunaTollway Limited (IrconSGTL) as wholly owned subsidiary and incorporated under Companies Act, 2013 on 12th May 2015. Accordingly, SPV has signed the Concession Agreement with NHAI on 15th June 2015. The concession period of 20 years commenced on 25th Jan 2016 i.e. Appointed Date notified by the National Highway Authority of India. The registered office of the company located at C-4, District Centre, Saket, and NewDelhi - 110017.

2. Summary of Significant Policies

(a) Basis of Preparation

i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 as read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016.

ii) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except certain financial assets and liabilities measured at fair value.

- i. Certain financial assets and liabilities measured at fair value.

iii) 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 income and expenses. Actual results may differ from these estimates.

Critical accounting estimates and judgments:

- Fair value measurement of financial Instrument
- Useful life of property, plant and equipment & intangible assets
- Revenue in Construction Contract
- Impairment of Non-financial assets
- Impairment of financial assets
- Estimation of Deferred & Current tax

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 end are capable of being reasonably measured. For the purpose of making estimates for claims, the company used the available contractual and historical information.

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.

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

(b) 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.

(c) Property, plant and equipment

1. 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 the use of which is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Property, Plant & Equipment.
3. Cost of asset includes the following-
 - a) Cost directly attributable to the acquisition of the assets.
 - b) 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.
 - c) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
4. 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.
5. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 when the asset is derecognized.
6. 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

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.

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.

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

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

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.

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.

(d) Intangible Assets and Intangible Assets under development

1. Intangibles Other than Toll Collection Right

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

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 intangible assets is as follows:

Intangible Assets	Useful life	Self-generated/acquired
Software	36 months	Acquired

Amortization methods, useful lives and residual values are reviewed at each reporting date.

Software cost up to Rs. 1 Lakh in each case is fully amortized in the year of purchase, by keeping Rs. 1 for token value for identification.

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

The company recognizes an intangible asset arising from service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade service in a service concession agreement is measured at fair value on initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortization and accumulated impairment losses.

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

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

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

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

(e) Cash and cash Equivalent

Cash and cash equivalents in the balance sheet comprise of cash at bank, cash in hand, Cheques in hand and short-term deposits with an original maturity of 3 months or less which are subject to insignificant risk of changes in value.

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

(f) Provisions

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.

Reimbursement of the expenditure required to settle a provision is recognized as per contract provisions or when it is virtually certain that reimbursement will be received.

Provisions are reviewed at each Balance Sheet date.

Discounting of Provisions

Provision recognized above which are 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 recognized as interest expenses.

(g) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to company and the revenue can be reliably measured.

Revenue from construction services

The Company recognizes and measures revenue from construction services under a service concession arrangement in accordance with Ind AS -115 "Revenue from Contracts with Customers",

The Consideration receivable by the Company is a right to an intangible asset. The Company recognizes an intangible asset to the extent that it receives a sole and exclusive right to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

The Company recognizes contract revenue on the satisfaction of 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 recognizes 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 recognize revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The Company measures performance obligation by applying input method as it which faithfully depict the entity's performance towards complete satisfaction of the performance obligation.

The Company measures the revenue at the transaction price that is allocated to the performance obligation and for contracts in which a customer promises consideration in a form other than cash or promise of consideration at fair value.

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

Revenue from toll collection

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

Other Revenue Recognition

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized using Effective Interest rate Method.

(h) 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. 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.

(i) 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 the asset.

(j) Employee Benefits

1. 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.

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

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

(k) Leasing-

1. 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. Payment 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

(l) 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).

(m) 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).

(n) Operating Segment

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

(o) 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.

(p) Functional Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. (i.e. Functional Currency). The financial statements are presented in Indian rupees, which is the presentation as well as Functional currency of company.

Transactions in foreign currency

All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.

Non-monetary items are translated at the rate on the date of initial transaction.

Monetary items denominated in foreign currency are translated at the prevailing closing selling rates for Liabilities and closing buying rate for Assets, at each reporting date.

Exchange Gains or Losses in respect of above transactions are recognised in Statement of profit and loss.

(q) Contingent Liabilities and contingent Assets

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

Contingent assets is disclosed where an inflow of economic benefits is probable

Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.

Contingent Liability is net of estimated provisions considering possible outflow on settlement.

(r) 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 best economic 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 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.

(s) 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.

(t) Financial instruments:-

i. 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

ii. Subsequent measurement

Financial Assets

Financial assets are classified in following categories:

At Amortised Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) The contractual terms of the financial 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 measured at amortised cost using effective interest rate (EIR) method less impairment, if any. The EIR amortisation is included in finance income in the statement of profit and loss.

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:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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.

At Fair value through Profit & Loss (FVTPL)

FVTPL is a residual category for financial Assets. Any financial assets, 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 financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL.

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

Financial liabilities

Financial liabilities at Amortized Cost

Financial liabilities at amortized 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.

Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

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 derecognized 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 recognized in the statement of Profit & Loss.

(u) Impairment of financial assets:

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. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes 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 amortized 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) recognized during the period is recognized as income/expense in the statement of profit and loss.

Foot Notes	(iv)		(iii)		(ii)		(i)		(v)					
	Freehold Land	Lease hold Land	Lease hold Buildings	Freehold Buildings/Flats-Residential	Freehold Buildings/Flats-Non-Res.	Plant & Machinery	Survey Instruments	Computers	Mobile Handset	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Gross Carrying Amount (At Cost)														
At 31 March 2017	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
Additions	-	-	-	-	-	-	-	0.02	-	0.02	0.03	-	-	0.07
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	0.03	-	0.02	0.03	-	-	0.08
Depreciation and Impairment														
At 31 March 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
Net book value														
At 31 March 2019	-	-	-	-	-	-	-	0.02	-	0.02	0.03	-	-	0.07
At 31 March 2018	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
At 31 March 2017	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01

Foot Notes:-

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

Block of assets	Description of the assets	Manner and expected time of	Segment		(Rs. In crore)	
			As at 31 March 2019	As at 31 March 2018	Gross Block	Net Block

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

Description	(in Rs. crore)	
	As at 31 March 2019	As at March 2018
Depreciation on Tangible Assets	0.02	-
Impairment Loss	-	-
Total	0.02	-

4 Intangible Assets

Particulars	(in Rs. Crore)	(in Rs. Crore)	(in Rs. Crore)
	Intangible assets under development	Intangible Asset (Toll Road)	Other Intangibles (Software)
Closing balance at 31 March 2017	300.68		-
Addition during the year	381.85		-
Capitalisation during the year	-	-	-
Sales / adjustment during the year	-		-
Closing balance at 31 March 2018	683		-
Addition during the year	44.25	726.79	-
Sales / adjustment during the year	726.79	-	-
Closing balance at 31 March 2019	-	726.79	-
<u>Amortisation and Impairment</u>			
Closing balance at 31 March 2017	-		-
Amortisation during the year	-	-	-
Sales / adjustment during the year	-	-	-
Closing balance at 31 March 2018	-		-
Amortisation during the year	-	34.38	-
Sales / adjustment during the year	-	-	-
Closing balance at 31 March 2019	-	34.38	-
Net book value			
At 31 March 2019	-	692.41	-
At 31 March 2018	682.53	-	-

Note : During the current financial year addition in intangible assets includes Rs 96,75,926/- which is on account of amount deducted by NHAI for Negative change in scope.

Financial Assets (Non Current)**4.1 Other Financial Assets**

	(in Rs. crore)	
Particulars	31 March 2019	31 March 2018
<u>a) Considered Good</u>		
Security Deposits		
- Government Departments	-	-
- Others	0.11	0.01
Total - Other Financial Assets	0.11	0.01
Grand Total - Other Financial Assets	0.11	0.01

5 Deferred Tax Assets

(in Rs. crore)

Particulars	31 March 2019	31 March 2018
Provisions	-	-
Property, Plant and Equipment and Intangible Assets	-	-
Others	0.07	0.17
Closing balance as at 31 March	0.07	0.17

Reconciliation / Movements in Deferred Tax Assets

Particulars	Provisions	PPE and Intangible Assets	Others
As at 31 March 2017	-	-	0.25
(Charged)/Credited :			
- to profit or loss	-	-	(0.08)
- to Other Comprehensive Income	-	-	-
As at 31 March 2018	-	-	0.17
(Charged)/Credited :			
- to profit or loss	-	-	(0.10)
- to Other Comprehensive Income	-	-	-
As at 31 March 2019	-	-	0.07

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

Income Tax Expense
Profit or loss Section

(in Rs. crore)

Particulars	31 March 2019	31 March 2018
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	0.10	0.08
Income tax expense reported in the statement of profit or loss	0.10	0.08

OCI section

Income tax related to items recognised in OCI during the year:

(in Rs. crore)

Particulars	31 March 2019	31 March 2018
Net loss/(gain) on measurements of defined benefit plans	-	-
Net loss/(gain) on exchange gain/ loss	-	-
Income tax charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2019:

(in Rs. crore)

Particulars	31 March 2019	31 March 2018
Accounting profit before tax from continuing operations	(30.51)	0.02
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	-30.51	0.02
At India's statutory income tax rate of 26% (31 March 2018: 30.90%)	-	0.01
Adjustments in respect of current income tax of previous years	0.10	0.08
Utilisation of previously unrecognised tax losses	-	-
- Non taxable items	-	-
- Rate Difference	-	-
- Other	-	-
Non-deductible expenses for tax purposes:		
-Other country additional tax	-	-
-Other non-deductible expenses	-	-
At the effective income tax rate of 26% (31 March 2019: 31.20%)	0.10	0.09
Income tax expense reported in the statement of profit and loss	0.10	0.08
Income tax attributable to a discontinued operation	-	-
	0.10	0.08

Financial Assets**6.1 Trade Receivables**

(in Rs. crore)

Particulars	31 March 2019	31 March 2018
Unsecured : considered good		
- Trade receivables * (Refer Note no. 33 (d)(i))	0.70	17.70
Significant Increase in Credit Risk		
- Trade receivables	-	-
Credit Impaired :		
- Trade receivables	-	-
Less : Impairment allowances for doubtful debts	-	-
Total	0.70	17.70

6.2 Financial Assets
Cash and Cash equivalents

(in Rs. crore)			
Particulars	Foot Note	31 March 2019	31 March 2018
Cash in hand		-	-
Cheques/drafts in hand		-	-
Remittance in Transit		-	-
<i>Balances with banks*</i> :			
– On current accounts		0.01	0.02
– Flexi Accounts		6.10	-
– Deposits with original maturity of less than 3 months		3.50	0.06
		9.61	0.08

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

Bank Balances other than Cash and Cash equivalents

(in Rs. crore)			
Particulars		31 March 2019	31 March 2018
Other Bank Balances			
– Deposits with original maturity of more than 3 months but less than 12 months		-	-
– Fixed Deposits received from Contractors		-	-
		-	-

Financial Assets
6.3 Loans

(in Rs. crore)		
Particulars	31 March 2019	31 March 2018
A. Considered Good : Secured		
Staff Loans and Advances	-	-
Total (A) - Secured Loans	-	-
B. Unsecured, considered good		
(i) Loans to Related Parties:		
(ii) Others:		
Staff Loans & Advances *	-	-
Total (B) - Considered Good : Unsecured (i) + (ii)	-	-
Grand Total	-	-

6.4 Other Financial Assets

(in Rs. crore)		
Particulars	31 March 2019	31 March 2018
a) Considered Good		
Interest Accrued on :		
- Deposits with Banks	0.03	-
Others:		
Total - Other Financial Assets - Good	0.03	-
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	0.03	-

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

Details of amount due from Directors:

(in Rs. crore)		
Particulars	As at 31 March 2019	As at 31 march 2018
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total		

7 Other Current Assets

(in Rs. crore)

Particulars	Foot Note	31 March 2019	31 March 2018
a) Advances Other than Capital Advances			
Advances to Contractors against material and machinery		-	-
Advances to Contractors, Suppliers and Others		-	-
Advance Recoverable from:			
- Sales Tax (including TDS)		-	-
Less : Deposited under Protest		-	-
- Value Added Tax		0.43	0.43
- Goods & Services Tax		-	0.03
- Service Tax input credit		-	-
Total - Advances Other than Capital Advances		0.43	0.46
b) Others			
Interest Accrued on:			
Deposits & Advances with:			
- Contractors, Suppliers & Others		-	-
Assets held for disposal		-	-
Prepaid Expenses		-	0.05
Fair valuation adjustment		-	-
Lease Equalisation		-	-
Total - Others		-	0.05
c) Considered Doubtful			
Advances to Contractors, Suppliers and Others		-	-
Sales Tax (including TDS)		-	-
Others		-	-
Value Added Tax		-	-
Less: Impairment allowance for doubtful advances		-	-
Total - Considered Doubtful		-	-
Grand Total		0.43	0.51



(in Rs. crore)

7.1 Current Tax Assets (Net)

Particulars	Foot Note	31 March 2019	31 March 2018
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)		1.91	1.22
Current tax Assets (Net)		1.91	1.22

8 Equity Share capital

(in Rs. crore)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
15,00,00,000 Equity shares of Rs.10 each	150.00	150.00
	<u>150.00</u>	<u>150.00</u>
Issued/Subscribed and Paid up Capital		
15,00,00,000 Equity shares of Rs 10 each-fully paid	150.00	150.00
	<u>150.00</u>	<u>150.00</u>

Details of shareholders holding in the company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Iron International Limited- Holding Company (IRCON)	150,000,000	100.00	150,000,000	100.00
	-	-	-	-
	-	-	-	-
Total	150,000,000	100	150,000,000	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	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	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 share is entitled to one vote per share.

(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 equity shares held by the shareholders.

Reconciliation of the number of equity shares and share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	Rs in crore	No of shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	150,000,000	150.00	150,000,000	150.00
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	150,000,000	150.00	150,000,000	150.00

9 Other Equity

	(in Rs. crore)	
Particulars	31 March 2019	31 March 2018
(a) Retained Earnings		
Opening Balance	-0.73	-0.67
Add: Transfer from surplus in statement of profit and loss	-30.63	-0.06
Closing Balance	-31.36	-0.73
(b) General Reserve		
Opening Balance	-	-
Closing Balance	-	-
(c) Capital Redemption Reserve		
Opening Balance	-	-
Add: Transfer for Buy Back of Equity Shares	-	-
Closing Balance	-	-
<u>(d) Items of other comprehensive income</u>		
Opening Balance	-	-
Foreign Currency Translation (net of tax)	-	-
Closing Balance	-	-
Grand Total	-31.36	-0.73

Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

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

(c) Items of Other Comprehensive Income

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

Distribution made and proposed dividend

	(in Rs. crore)	
Particulars	31 March 2019	31 March 2018
<u>Cash dividends on equity shares declared / paid:</u>		
Dividend paid during 2018-19: NIL (FY 2017-18: NIL)	-	-
Dividend distribution tax final dividend	-	-
Interim dividend paid during 2018-19: NIL (FY 2017-18: NIL)	-	-
Dividend distribution tax on interim dividend	-	-
Total	-	-
<u>Proposed dividends on equity shares:</u>		
Dividend for 31 March 2019: INR NIL (31 March 2018: INR NIL)	-	-
Dividend distribution tax on proposed dividend	-	-
Total	-	-

10 Financial Liabilities (Non Current)

10.1 Borrowings

Particulars	(in Rs. crore)	
	31 March 2019	31 March 2018
Secured:		
(a) Loan from Holding Company(Ircon International Limited)	516.66	525.82
	-	-
Total	516.66	525.82

Notes :

(a) * Terms & Conditions of Loans

i) A Term Loan of Rs. 722.11 crore has been sanctioned from the its holding company Ircon International Limited for meeting the total project cost as per the terms and condition of the agreement, out of which Rs. 561.59 crore has been disbursed by Ircon International Limited up to 31st March 2019

ii) **Interest Terms** The Applicable Interest rate is applicable base rate of SBI plus spread of 0.5%

iii) Terms of Repayment

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

iv) Terms of security for loan are as follows:

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

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

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

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

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

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

10.2 Trade Payables

Particulars	(in Rs. crore)	
	31 March 2019	31 March 2018
Micro, Small & Medium Enterprises (Refer Note no. 34)	-	-
Others	-	-
Other Contractor & Suppliers	-	-
(b) Related Parties	-	-
Total	-	-



11 Financial Liabilities (Current)

11.1 Borrowings

	(in Rs. crore)	
Particulars	31 March 2019	31 March 2018
Loan From IRCON- Current	44.93	-
Total	44.93	-

11.2 Trade Payables

	(in Rs. crore)	
Particulars	31 March 2019	31 March 2018
Micro, Small & Medium Enterprises (Refer note 34)	-	-
Others		
(a) Contractor & Suppliers	1.86	-
(b) Related Parties	18.97	24.94
Total	20.83	24.94

Financial Liabilities (Current)**11.3 Other Financial Liabilities****(in Rs. crore)**

Particulars	31 March 2019	31 March 2018
Gratuity Payable	-	-
Deposits, Retention money and Money Withheld	0.83	0.12
Financial Guarantee Contract	-	-
Amount Payable to Client	1.51	-
Interest Payable on Advance from Client	-	-
Other Payables (including Staff Payable)	0.10	0.11
Total	2.44	0.23

12 Other Current Liabilities**(in Rs. crore)**

Particulars	31 March 2019	31 March 2018
Statutory dues	1.83	1.97
Total	1.83	1.97

**13 Revenue from operations**

(in Rs. crore)

	For the period ended 31st March 2019	For the year ended 31st March 2018
Construction Contract revenue	32.50	-
Revenue from Toll Operations	-	-
- Other Operating Revenue	44.37	381.93
Total	149.75	381.93

14 Other Income

	For the period ended 31st March 2019	For the year ended 31st March 2018
Interest Income :		
Interest on refund of income-tax	-	-
Bank Interest Gross	0.30	-
Less:- Interest passed to clients	-	-
Others :		
Miscellaneous Income	0.13	0.02
Less:- Exchange Fluctuation Loss	-	-
Less:-Dividend passed to clients	-	-
Total	0.43	0.02

Project and Other Expenses

Particulars	Foot Note	Project Expenses		Other Expenses		(in Rs. crore)
		For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	
Work Expenses		93.67	346.91	-	-	-
Toll operation and maintenance expenses		6.56	-	-	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		0.26	1.46	-	-	-
Repairs and Maintenance of Machinery		-	-	-	-	-
Hire charges of machinery		-	0.10	-	-	-
Exchange Fluctuation Loss		-	-	-	-	-
Less:- Exchange Fluctuation Gain		-	-	-	-	-
Net Exchange Fluctuation Loss		-	-	-	-	-
Rent - Non-residential		0.04	0.04	-	-	-
Rates and Taxes		0.33	-	-	-	-
Vehicle Operation and Maintenance		0.03	-	-	-	-
Repairs and Maintenance		-	-	-	-	-
- Building		-	-	-	-	-
- Office and Others		0.01	-	-	-	-
Power, Electricity and Water charges		0.51	-	-	-	-
Insurance		0.08	0.19	-	-	-
Travelling & conveyance		0.02	-	-	-	-
Printing & stationery		0.01	-	-	-	-
Postage, telephone & telex		-	-	-	-	-
Legal & Professional charges		0.07	0.03	-	-	-
Security services		-	-	-	-	-
Business promotion		-	-	-	-	-
Write-off of:		-	-	-	-	-
- Bad debts		-	-	-	-	-
- Bad advances		-	-	-	-	-
- Bad assets		-	-	-	-	-
Loss on sale of Assets/Stones		-	-	-	-	-
Amortisation of premium paid on Invest.		-	-	-	-	-
Director sitting fee		-	-	-	-	-
Donation		-	-	-	-	-
Auditors remuneration		-	-	-	-	-
Advertisement & publicity		-	-	-	-	-
Training & Recruitment		-	-	0.01	0.01	0.01
Research & Development Expenses		-	-	0.05	0.05	0.05
Sustainable Development		-	-	-	-	-
Corporate social responsibility		-	-	-	-	-
Miscellaneous expenses		-	-	-	-	-
Corporate Overheads		-	-	-	-	-
Provisions (Against - write back)		-	-	-	-	-
(Refer Note 12)		-	-	-	-	-
Provisions Utilised		-	-	-	-	-
Total		101.59	348.73	0.06	0.01	0.01

(i) Payment to Statutory Auditors:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Audit Fee - current year	0.01	0.01
(b) Tax Audit Fees - current year	-	-
(c) Fee for quarterly limited review	-	-
(c) Certification Fees	-	-
(d) Travelling & out of pocket expenses:	-	-
- Travelling Expenses	-	-
- Out of Pocket Expenses	-	-
Total	0.01	0.01

16 Employee Remuneration and Benefits

(in Rs. crore)

Particulars	Foot Note	For the year ended 31st March 2019			For the year ended 31st March 2018		
		Operating	Other (Administrative)	Total	Operating	Other (Administrative)	Total
Salaries, wages and bonus		0.76	0.20	0.96	1.35	-	1.35
Contribution to provident and other funds		0.11	-	0.11	-	-	-
Foreign service contribution		-	-	-	-	-	-
Retirement Benefits		0.08	-	0.08	-	-	-
Staff Welfare		-	-	-	-	-	-
Total		0.95	0.20	1.15	1.35	-	1.35

17 Finance Cost

(in Rs. crore)

Particulars	Foot Note	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Expense		43.46	31.80
Less: Interest on Advance		-	31.80
Other Borrowing Cost			
- Bank Guarantee & Other Charges		0.03	0.04
Total		43.49	31.84

18 Depreciation, amortization and impairment

(in Rs. crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Property, Plant and equipment	0.02	-
Intangible Assets	34.38	-
Investment Property	-	-
Impairment of Assets	-	-
Total	34.40	-

Note: - 19

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	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
(in Rs. crore)				
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
(ii) Loans	-	-	-	-
(iii) Trade Receivables	0.70	-	-	-
(iv) Cash and Cash Equivalents	9.61	-	-	-
(v) Other Bank Balances	-	-	-	-
(vi) Other Financial Assets***	0.14	-	-	-
Total	10.45	-	-	-

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
(in Rs. crore)				
Financial Liabilities at Amortized Cost				
(i) Borrowings	561.59	-	-	-
(ii) Trade Payables	-	-	-	-
(iii) Other Financial Liabilities***	2.44	-	-	-
Total	564.03	-	-	-

b) The carrying values and fair values of financial instruments by categories as at 31 March, 2018 are as follows: *

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
(in Rs. crore)				
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
(ii) Loans	-	-	-	-
(iii) Trade Receivables	17.70	-	-	-
(iv) Cash and Cash Equivalents	0.08	-	-	-
(v) Other Bank Balances	-	-	-	-
(vi) Other Financial Assets***	0.01	-	-	-
Total	17.79	-	-	-

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
(in Rs. crore)				
Financial Liabilities at Amortized Cost				
(i) Borrowings	525.82	-	-	-
(ii) Trade Payables	-	-	-	-
(iii) Other Financial Liabilities***	0.23	-	-	-
Total	526.05	-	-	-

The fair values of the financial assets and financial liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the financial year 2017-18. The following methods and assumptions were used to estimate the fair values

- The fair value of investments in mutual fund units is based on the Net Asset Value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- The carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements are at reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- The carrying amounts of current financial assets and current financial liabilities approximate their fair value mainly due to their short term nature.

* During the financial year 2018-19 and 2017-18, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

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

B. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets include loans to related parties, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds investment in mutual funds and tax free bonds. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Foreign currency risk and Interest rate risk. Financial instruments affected by market risk includes borrowings, trade receivables, trade payable and other non derivative financial instruments.

(i) Foreign Currency Risk

The company does not operate internationally and Foreign exchange risk is nil or insignificant.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments. Also, the Company does not have any interest risk on loans / borrowings as it bears fixed rate of interest.

20. Details of Related Party Transactions during the year

(Amt in Crores)

Name of Related Party	Particular	Transactions (Rs.)		Outstanding Amount	
		During the Period upto 31-03-2019	2017-18 (upto 31st Mar 18	During the Period upto 31-03-2019	As at 31st March 18
	Investment in Equity	-	-	-	-
	Loans	35.77	363.17	561.59	525.82
	Other Payables	-5.97		18.97	24.94
	Rendering of services				
Ircon International Limited	Works Contract * Excl GST as expense	16.59			
	Works Contract * Excl GST capitalised	27.53	343.83		
	Rent Excluding GST as expense	0.01			
	Rent Excluding GST capitalised	0.01	0.02		
	Interest on Loan as an expense	43.46			
	Interest on loan capitalised	9.14	31.80		
					-

21 Earnings per share (EPS)

Figures in Rs Crores

Particulars	As at 31st March 2019	As at 31st March 2018
Basic EPS	-2.041	(0.00)
Diluted EPS	-2.041	(0.00)

Basic EPS

Figures in Rs Crores

Particulars	As at 31st March 2019	As at 31st March 2018
Profit attributable to equity holders:		
Continuing operations	(30.61)	(0.06)
Discontinued operation	-	-
Profit attributable to equity holders for Basic Earning Per Share	(30.61)	(0.06)
Interest on convertible preference shares	-	-
Profit attributable to equity holders adjusted for the effect of dilution	(30.61)	(0.06)

Diluted EPS

Figures in Crores

Particulars	As at 31st March 2019	As at 31st March 2018
Weighted average number of Equity shares for basic EPS*	15.00	15
Effect of dilution:		
Share Application Money pending Allotment	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution*	15	15

The weighted number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share.

Note 22 Service Concession Arrangements (SCA)

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

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

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

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

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

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

The Company recognizes revenue and cost in accordance with Ind AS 115 by reference to the construction's stage of completion. The Company measures contract revenue at the fair value of the consideration receivable. During the arrangement's construction phase, the Company's assets of 726.78 crores (representing its accumulating right to be paid for providing construction services) is classified as an intangible assets (license to charge user of the infrastructure). The Company has recognized revenue of Rs. 149.84 Crores consisting of Rs 44.36 Crores on construction of intangible assets under service concession agreement for the year ended 31.03.19. *The Company has recognized nil profit on construction of intangible assets under service concession arrangement .The revenue recognized in relation to construction of intangible assets under service concession arrangement represents the fair value of services provided towards construction of intangible assets under service concession arrangement.* The operation of toll road has commenced from 7th June 2018 and the company has recognised usage fee as revenue of Rs. 72.88 Crores from operation of toll roads.

Concession fee and its premium is seen as being paid for earning the revenue and is treated as a charge against revenue. Usage fee collected over and above the traffic cap as per the concession agreement is termed as excess fee. This SCA is due to be renegotiated .

Construction Contracts

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

Particulars	Amount in Rs Crores	
	31.03.2019	31.03.2018
Revenue recognized from construction services	76.87	381.93
Revenue recognised from toll-Usage fee	72.88	-
Aggregate amount of cost incurred and recognized in Profit/Loss	76.87	381.93
Gross amount due from Client for Contract Works	-	17.70

23. Contingent liabilities and Contingent Assets:

(I) Contingent Liabilities:

(a) Claims against the company not acknowledge as debt; NIL

(II) Contingent Assets: NIL

24. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is **Rs. 112.12 Crore** (Rs. 40.80 Crore).

25. (a) Foreign exchange recognised in the statement of profit and loss:

(Rs in crore)

Particulars	2018-19	2017-18
i) Profit or loss	NIL	NIL
ii) Other Comprehensive Income	NIL	NIL
TOTAL	NIL	NIL

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

26. Disclosure regarding Leases:

I. Assets taken on operating lease: NIL

II. Assets given on operating lease: NIL

27. Segment Reporting:

A. General Information:

- The Company has determined reportable operating segments from geographical perspective.
- The Company's source of risk and rewards are derived from the units spread across the globe and hence, International projects and Domestic projects are considered as individual operating segments.
- The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).
- These operating segments are monitored by company's Chief Operating Decision Maker (CODM) and strategic decisions are made on the basis of segments results. Segment performance is evaluated based on the profit of each segment.

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

(Rs in crore)

Particulars	International		Domestic		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue						
Revenue from External Customers			149.74	381.93	149.74	381.93

Add: Company share of turnover in Integrated Joint operations						
Interest Income			0.30	0.00	0.30	0.00
Other Income			0.13	0.02	0.13	0.02
Inter-segment						
Total Revenue			150.18	381.95	150.19	381.95
Segment Result						
Profit before Provision, Depreciation, Interest, Exceptional item and Tax			47.38	31.86	47.38	31.86
Less: Provision & write backs (Net)			0	0	0	0
Depreciation, amortization and impairment			34.40	0.00	34.40	0.00
Interest			43.49	31.84	43.49	31.84
Exceptional Items			0	0	0	0
Profit before Tax			(30.51)	0.02	(30.51)	0.02
Tax Expense			0.10	0.08	0.10	0.08
Profit after Tax			(30.61)	(0.06)	(30.61)	(0.06)

C. Other Information

(Rs in crore)

	International		Domestic		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Assets			705.34	702.23	705.34	702.23
Liabilities			586.70	552.96	586.70	552.96
Investment in Joint Ventures accounted for by the equity method			0	0	0	0
Non-Current Assets Other than financial instruments, deferred tax assets, net defined benefit assets			0.11	682.53	0.11	682.53
Capital Expenditure (Addition to PPE, CWIP, Investment Property, Other Intangible Assets and Intangible assets under development)			692.48	0.02	692.48	0.02

D. Information about major Customers:

During the period ended March 31, 2019, Operating Revenue of approximately **100%**(NIL) derived from a single external customer in Domestic Segment.

28. Interest in other Entities NIL

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

a) Enterprises where control exists: NIL. 100% of holding of ISGTL is with Ircon International Limited.

- (i) Holding Company: -
- Ircon International Limited

b) Key management personnel:

CEO: Mr. Masood Ahmad Najjar, Chief Executive Officer, w.e.f. 21st July 2016.

CFO: Mr. Sanjeev Kumar Gupta has been deputed by the holding company as Chief Financial Officer of the Company, and was declared as Key Managerial Personnel (KMP) of the Company w.e.f. 4th January 2019 vice Mr. Atul Kumar, Chief Financial Officer, ceased to hold office w.e.f. 21st December 2018.

Company Secretary: - Ms. Sakshi Mehta w.e.f. 29th May 2017.

c) Disclosure of transactions with related parties:

Particulars	Transactions during the year		(Rs. in crore) Particulars of Contracts/ Arrangements
	2018-19	2017-18	Nature of Transaction
1. Remuneration to key management personnel (b above) & Sitting Fees to other Directors	NIL		
2. Purchase of Goods & Services (including CSR expenses)/Lease of PPE/Any other transaction			
Holding Company			
Ircon International Limited	44.12	343.82	Work expenses
Ircon International Limited	0.02	0.02	Rent
Ircon International Limited	52.60	31.80	Interest on Loan
Total	96.74	378.69	
3. Sale of Goods & Services/Interest Income/ Any other transaction			
Holding Co, (Including)			
Ircon International Limited	0	0	
Total	0	0	
4. Loan from Holding Company			

Ircon International Limited- Disbursed	35.77	363.17	Loan disbursed
5. Reimbursement of deputation staff expenses, rent & other misc. expenses (Income)	0	0	

Disclosure of amount due to/from related parties

(Rs in crore)

Particulars	Amount	
	As at 31 st March 2019	As at 31 st March 2018
Amount Receivables		
(1) Loan outstanding to Subsidiaries & JV**	0	0
(2) For Other Services, reimbursements etc.		
Holding Company		
Ircon International Limited (Mobilisation Advance-)	0	0
Ircon International Limited (Mobilisation Advance- Interest accrued but not yet due)	0	0
Amount Payable		
1) For Other Services		
Ircon International limited	18.97	24.94
2) Loans outstanding		
Ircon International Limited	561.59	525.82

**Includes Interest accrued

30. Details of remuneration to Directors*/ Key Managerial Person:

(Rs. in crore)

Sr.	Particulars	2018-19	2017-18
I	Salary & allowances*	0.39	0.51
II	Contribution to provident fund, pension	0.05	0.04
III	Reimbursement of medical expenses	.002	0.00
IV	Sitting fee	0.00	0.00
V	Other benefits	0.16	0.04
	TOTAL		

* IrconSGTL 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.

31. "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 is not required since this is first year of toll operation. Accordingly, no impairment loss has been provided for."

32. Disclosure under Ind AS-19 on Employee benefits

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

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

33. Disclosure under IndAS-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 crore)

	For the year ended March 31, 2019					
Type of goods or service	Railways	Highway	Electrical	Building	Others	Total
Timing of satisfaction of performance obligation:						
Over time	-	76.86	-	-	-	76.86
At a point in time	-	72.88	-	-	-	72.88
Total	-	149.74	-	-	-	149.74
Method for measuring performance obligation:						
Input method	-	149.74	-	-	-	149.74
Output method	-	-	-	-	-	-
Total	-	149.74	-	-	-	149.74
Geographical markets:						
Domestic	-	149.74	-	-	-	149.74
International	-	-	-	-	-	-
Total	-	149.74	-	-	-	149.74
	For the year ended March 31, 2018					
Type of goods or service	Railways	Highway	Electrical	Building	Others	Total
Timing of satisfaction of performance obligation:						
Over time	-	381.93	-	-	-	381.93

At a point in time	-	-	-	-	-	-
Total	-	381.93	-	-	-	381.93
Method for measuring performance obligation:						
Input method	-	381.93	-	-	-	381.93
Output method	-	-	-	-	-	-
Total	-	381.93	-	-	-	381.93
Geographical markets:						
Domestic	-	381.93	-	-	-	381.93
International	-	-	-	-	-	-
Total	-	381.93	-	-	-	381.93

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

Revenue from Segment Reporting is Rs 149.74 crore (Rs.381.93crore).

- (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 crore)	
	March 31, 2019	March 31, 2018
Trade Receivables (Note 6.1)	0.70	17.70
Contract Assets	0	0
Contract Liabilities	0	0

- (i) Trade receivables are non-interest bearing and the customer profile includes National Highway Authority of India (NHAI). The Company's average project execution cycle is around 24 to 36 months. General payment terms include payments for utility shifting reimbursements and change in scope of work mutually agreed upon if any, with a credit period ranging from 60 to 180 days or when the work is certified. Project being executed by the Company is under BOT (built operate transfer) model and the payments are on account of Toll Collection and additional works by NHAI if any.
- (ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Particulars	(Rs. in crore)	
	March 31, 2019	March 31, 2018
Contract Assets at the beginning of the year	NIL	NIL
Contract Assets at the end of the year	NIL	NIL

- (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 crore)	
	March 31, 2019	March 31, 2018
Contract Liabilities at the beginning of the year	NIL	NIL
Contract Liabilities at the end of the year	NIL	NIL

(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 crore)	
	March 31, 2019	March 31, 2018
Amount received as Advance in Construction Contracts	NIL	NIL
Amount due to Customers	NIL	NIL

- (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	NIL	NIL

*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.

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:

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

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

34. The Company has received information from its suppliers of their being covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as disclosed in note no 18.1. Based on this information, there are Rs. NIL. (Rs. NIL) amounts due to Micro, Small and Medium Enterprises as at 31st March 2019.
35. (i) Gross amount required to be spent on Corporate Social Responsibility (CSR) by the

Company during the year is NIL.

36. Events occurring after Reporting period NIL

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

IND AS 116 Leases

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

As per our Report of even date attached For and on behalf of the ICon Shivpuri Guna Tollway Ltd

As per our Report of even date attached

For and on behalf of ICon Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.	(Deepak Sabhlok)	(Anand Kumar Singh)	(Ashok Kumar Goyal)
Chartered Accountants	Chairman	Director	Director
FRN 01292N	DIN-03056457	DIN-07018776	DIN-05308809

(CA G S Bhatnagar)	(Masood Ahmad Najar)	(Sanjeev Kumar Gupta)	(Sakshi Mehta)
Partner	Chief Executive Officer	Chief Financial Officer	Company Secretary
M. No. 081536			

Place : New Delhi
Date : 02.05.2019

C&AG
Comments
FY: 2018-19

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IRCON SHIVPURI GUNA TOLLWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of **IRCON SHIVPURI GUNA TOLLWAY LIMITED** for the year 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 are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of **the Act**. This is stated to have been done by them vide their Audit Report dated 02 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **IRCON SHIVPURI GUNA TOLLWAY LIMITED** for the year 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, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statement and the related audit report.

	Comment of CAG	Management Reply
1	<p>Balance Sheet Note 4 - Intangible Assets- Rs.692.41 crore</p> <p>The construction of toll road was completed and its operation commenced from 7th June 2018. During the year, the Company has collected toll of Rs.72.88 crore against the expenditure of Rs.79.25 crore. Thus there was an operating loss on the operations of toll during the year. Accordingly, the Company was required to carry out impairment testing in accordance with Ind AS 36 as also its own Accounting Policy. However, the Company had not conducted the impairment testing as required.</p>	<p>As per para no. 2 (b) of Ind AS 36 of Impairment of Assets- the referred Accounting Standard does not apply to Assets arising from Construction Contracts.</p> <p>Further, this is the first year of Toll Operations and initial operational loss is common in case of Toll Road Projects.</p> <p>In view of the above two paras, impairment testing had not been carried out by the Company.</p> <p>However, the policy will be reviewed in the current financial year based on the CAG observations.</p>

<p>2 Comments on Cashflow Cash Flow Statement Cash Flow from Investing Activities Interest Paid – Rs.52.60 crore</p> <p>(i) The Company has paid interest amounting to Rs.52.60 crore to its Holding Company under cash flow from financing activities, in violation of Ind AS 7 on ‘Cash Flow Statement’.</p> <p>(ii) An amount of Rs.44.33 crore incurred during the year on construction of toll road has wrongly been shown as purchase of Property, Plant & Equipment including CWIP instead of Purchase/ construction of Intangible Asset under Cash Flow from investing activity.</p>	<p>The disclosures in the cash flow statement has been made in Consistency with presentation in previous financial year statements and no changes regarding interest paid has been done. The same has been considered as part of operational activities in the cash flow.</p> <p>However, the fact pointed out is noted and the same will be complied in future.</p> <p>The amount of Rs 44.33 Crores incurred towards construction of Toll Road has been inadvertently shown under “PPE/CWIP” instead of Intangible Asset. However, the same has been correctly shown under the broad head “Investing Activities”</p> <p>The observation on disclosure by audit shall be complied from FY 2019-20 onwards.</p>
<p>3 Notes to Financial Statements Note No.24 - Commitments As per the Clause no.26.2.1 of the Concession Agreement entered into by the Company with National Highway Authority of India (NHAI), the Company is required to pay Rs.20.19 crore per annum with 5% annual increment as premium to NHAI. But the Company has not disclosed the same as its commitment under note no.24 as required under Schedule III of the Companies Act, 2013. Thus, the Commitment was understated by Rs.532.38 crore.</p>	<p>The fact pointed out is correct. The same has however not been disclosed. This has been mentioned under Note 22 regarding Service concession agreement as :- <i>“concession fee and its premium is seen as being paid for earning the revenue and is treated as a charge against revenue. Usage fee collected over and above the traffic cap as per the concession agreement is termed as excess fee.”</i></p> <p>However, the fact pointed out is noted and the same will be disclosed separately in future.</p>

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

For and on the behalf of the
Ircn Shivpuri Guna Tollway Limited

(B.R. Mondal)
Principal Director of Audit
Railway Commercial, New Delhi

(Deepak Sabhlok) (Anand Kumar Singh) (Ashok Kumar Goyal)
Chairman Director Director
DIN-03056457 DIN-07018776 DIN-05308809

(Masood Ahmad Najar)
Chief Executive Officer

(Sanjeev Kumar Gupta)
Chief Financial Officer



IRCON SHIVPURI GUNA TOLLWAY LIMITED (IrconSGTL)

(A Wholly-owned Subsidiary of Ircon International Limited)

CIN: U45400DL2015GOI280017

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

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

E-mail: cs.irconsgtl@gmail.com