



7TH ANNUAL REPORT
2021-22

IRCON SHIVPURI GUNA TOLLWAY LIMITED

(A wholly-owned subsidiary of Ircon International Limited)

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

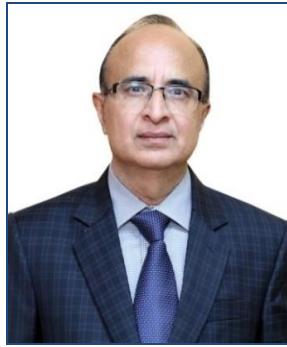
- (i) Constructing through site planning, scheduling of project activities, leveling and laying the land, installing systems for measuring quality of construction.
- (ii) To use innovative construction techniques for economizing the construction and maintenance cost by strictly adhering to the efficient 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

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Board of Directors

(Part-Time Directors)



Shri Ashok Kumar Goyal
Chairman



Shri Parag Verma
Director



Shri Masood Ahmad
Director



Shri Rohit Parmar
Director



Ms. Ritu Arora
Director

KEY MANAGERIAL PERSONNEL

Shri Atul Kumar : Chief Executive Officer
Smt. Rachna Tomar : Chief Financial Officer
Smt. Iti Matta : Company Secretary

STATUTORY AUDITORS

M/s P.R. Kumar & Co.
Chartered Accountants
New Delhi

SECRETARIAL AUDITORS

M/s Vasisht & Associates
Company Secretaries
New Delhi

BANKERS

Indian Overseas Bank, New Delhi
State Bank of India, New Delhi

REGISTERED OFFICE

C-4, District Centre, Saket
New Delhi-110017,
Tel: +91-11-26545785

Fax: +91-11-26854000, 26522000
E-mail: cs.irconsgtl@gmail.com
CIN No.-U45400DL2015GOI280017

INTERNAL AUDITORS

M/s Ravi Rajan Co., LLP
Chartered Accountant
New Delhi

COST AUDITORS

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

PROJECT

NH-3,
Shivpuri Guna Tollway
Madhya Pradesh



PROJECT PHOTOGRAPHS

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





CHAIRMAN'S ADDRESS
(7th AGM – 23rd August 2022)



Dear Shareholders,

It gives me immense pleasure to welcome you all at the 7th Annual General Meeting of your Company and present the Annual Report of your Company for the Financial Year (FY) 2021-22. The Directors' Report and Audited financial statements for the year ended March 31, 2022 have already been provided to all the shareholders. With your permission, I take them as read.

I would like to place before you, few highlights of IrconSGTL.

Your Company is a wholly-owned subsidiary company of Ircon International Limited (IRCON), Special Purpose Vehicle (SPV) incorporated in the year 2015 by IRCON with the intent 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 a Concessionaire in terms of the Concession Agreement entered into with National Highway Authority of India (NHAI). The concession period of the project is 20 years commencing from the 'Appointed Date' i.e. January 25, 2016. The project is being executed in two stages. The Commercial Operations Date (COD) for Stage-I of the project (85.31 km length) was achieved ahead of its 'Scheduled Date of

Completion' on June 6, 2018, and thereafter the operation of toll plaza and collection of revenue has been started. The construction of Stage-II of the project (12.39 km) is being undertaken progressively and the company has applied for the provisional completion certificate for the available land of 10.39 km, which is expected to be achieved in September 2022.

There were various measures taken by the Government of India for providing relief to the affected from impact of COVID-19 pandemic. With this commitment of the Government, the Ministry of Road Transport and Highways (MoRTH) has extended relief to contractors, concessionaires and developers of road sector from the impact of COVID-19 pandemic upto October 31, 2022. Under these initiatives of the Government, your company has been granted extension of concession period by 29.835 days as relief by NHAI in July 2021, on account of 'Force Majeure Event' due to first wave of COVID-19 pandemic and compensation for the loss of revenue. Further, due to the impact of second and third wave of COVID-19 pandemic and subsequent monsoon, the construction of Stage-II of the project got affected and extension of time in 'Schedule Date of Completion' has been claimed from NHAI as relief. The matter is under consideration of NHAI and an early response is perceived.

FINANCIAL PERFORMANCE

Your Company has achieved revenue from toll operations of ₹120.75 Crore as against ₹110.78 Crore for the previous financial year, thus registering an increase of 9.35%. The loss before tax was ₹12.05 Crore for the FY 2021-22 as against the loss of ₹14.06 Crore for the previous financial year implying a decrease in loss by 14.30%.

The authorized as well as paid-up equity share capital of the Company stood at Rs.150 Crore. During the FY 2021-22, your Company has repaid the outstanding balance of secured loan of Rs.501 Crore obtained from IRCON on March 28, 2022. This was repaid out of the proceeds of re-financing term loan facility / secured loan of ₹501 Crore availed from State Bank of India (SBI) on March 28, 2022. IRCON has provided Corporate Guarantee in favour of the bank for the said re-financed loan.

COMPLIANCES AND DISCLOSURES

Corporate Governance: Compliances and disclosures under the Companies Act, 2013 and rules thereunder are being fully adhered to by your Company. Your company is also exempt from the compliance with the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for CPSEs being a wholly-owned subsidiary of IRCON and a CPSE constituted as SPV.

MoU: Your Company has requested the holding company for seeking exemption from DPE, (through the Ministry of Railways) from signing of Memorandum of Understanding (MoU) for the 2022-23 with the holding company.

JOURNEY AHEAD

The revenue generated from the toll operations of the project are intended to cover the operating cost, repayment of principal amount of debt and financing costs. The toll revenue is expected to increase in future years post COD for the Stage-II of the project, when the full operation of the project will commence. Further, the initiatives taken by Government of India / NHAI for ensuring seamless travel, better infrastructure and connectivity for the highway users like 'Bharat Nirman' programmes linking all unconnected villages with fair weather roads, measures for improving electronic toll collection etc. will further enhance the efficiency of toll operations and future growth of the Company.

ACKNOWLEDGEMENTS

On behalf of Board of Directors, I express my heartfelt thanks for the valuable assistance and co-operation extended to the Company by the MoRTH and NHAI for their support and guidance to the Company. Further, I record my sincere appreciation for the cooperation extended by the holding Company, Ircon International Limited, the office of Comptroller & Auditor General of India (C&AG), the Auditors, Bankers of the Company and other professionals associated with the Company.

I would also like to thank my colleagues on the Board and the Company's employees for their unstinting support. I look forward to your continued support in our journey ahead.

For and on behalf of
Ircon Shivpuri Guna Tollway Limited

Sd/-
(Ashok Kumar Goyal)
Chairman
[DIN: 05308809]

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 7th Annual Report and Audited Financial Statements of your Company for the year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS:

The key highlights on the financial performance of your company for the Financial Year (FY) ended March 31, 2022 with comparative position of previous year's performance are as under:

(Amount in ₹ Crore)			
Sl. No.	Financial Parameters	Year ended 31.03.2022	Year ended 31.03.2021
1	Revenue from Toll Operations	120.75	110.78
2	Construction Contract Revenue	20.69	-
3	Revenue from Construction Services (Change of Scope and other works)	2.07	-
4	Other Operating Revenue	0.35	0.35
5	Other Income	0.21	0.38
6	Total Income [(1) + (2)]	144.07	111.16
7	Project Expenses	71.05	40.11
8	Administration Expenses (including finance cost and depreciation, amortization & impairment)	85.01	84.96
9	Other Expenses	0.06	0.15
10	Total Expenses [(4) + (5) + (6)]	156.12	125.22
11	Profit / (Loss) Before Tax [(3) – (7)]	(12.05)	(14.06)
12	Profit / (Loss) After Tax	(12.05)	(14.06)

The financial statements for the FY 2021-22 have been prepared in pursuance of the provisions of the applicable provisions of the Companies Act, 2013 and in conformity with the Companies (Indian Accounting Standards) Rules, 2015.

2. OPERATIONAL AND FINANCIAL PERFORMANCE:

Your Company has been incorporated as a public limited company, Special Purpose Vehicle (SPV) and wholly-owned subsidiary of Ircon International Limited (IRCON) on May 12, 2015, and is a government company in terms of the provisions of section 2(45) of the Companies Act, 2013. Your Company is executing the project of National Highways Authority of India (NHAI) viz "Four-laning of Shivpuri-Guna Section of NH-3 from 236.00

km to 332.100 km on Build Operate and Transfer (BOT) (Toll) basis on Design, Build, Finance, Operate and Transfer (DBFOT) pattern under NHDP Phase IV” in the State of Madhya Pradesh with total length of 97.70 km (“the Project”). The approval for commencement of Business has been obtained on May 27, 2015. In terms of the concession agreement dated June 15, 2015, NHAI has granted right to construct, operate and maintain the Project (the “Concession”) for 20 years (including construction period) commencing from the ‘Appointed Date’ i.e. January 25, 2016. The Project is to be executed in two stages viz Stage-I having length of 85.31 kms (i.e. stretch from Km 236.000 to Km 319.700) with execution period of 910 days (30 months) and Stage-II having length of 12.39 kms (i.e. stretch from Km 319.700 to Km 332.100) with execution period of 12 months.

The total cost approved for the execution of the Project is ₹872.11 Crore, and was allocated in the equity share capital of ₹150 Crore (100% held by IRCON) and debt portion of ₹722.11 Crore, which was initially approved by IRCON as loan and partially availed by IrconSGTL. The details of existing secured loan availed by your Company are detailed in para on ‘Secured Loan and Rating’ in the report at para no.5 below.

In terms of the concession agreement between NHAI and IrconSGTL entered on June 15, 2015, the scheduled concession period was upto January 24, 2036. However, in view of first and second wave of COVID-19 pandemic, there was countrywide lockdown and resultant suspension of user fee collection by MORTH / NHAI, in pursuance to the provisions of National Disaster Management Act, 2005. Due to this ‘Force Majeure Event’ experienced by your Company during the period from March 26, 2020 to April 19, 2020 on account of first wave of COVID-19 pandemic, relief was claimed from NHAI in accordance with provision of the Concession Agreement read in conjunction with applicable policy guidelines issued by Government of India / MORTH / NHAI. During FY 2021-22, in July 2021, NHAI has granted approval for extension of Concession Period for a net period of 29.835 days as relief (against the claim of 33.62 days). Additionally, due to subsistence of Force Majeure Event’ on account of second wave of COVID-19 pandemic during the period from April 2021 till June 30, 2021, relief was claimed by your Company from NHAI. Accordingly, Independent Engineer has recommended for extension of Concession Period for a net period of 10.89 days as relief (against the claim of 12.06 days) to NHAI, which is under consideration of NHAI.

Stage-I Project: The total cost allocated in the financial model for the Stage-I Project is ₹759.98 Crore, for which IRCON was engaged as EPC Contractor at original EPC Cost

of ₹642 Crore. The Scheduled Commercial Operation Date (COD) was July 23, 2018 i.e. within 910 Days from the 'Appointed Date' of January 25, 2016. The COD for Stage-I of the project was achieved one and a half month ahead of the schedule i.e. on June 6, 2018 (though scheduled on July 23, 2018). After completion of the construction of Stage-I Project and provisional completion certificate by Independent Engineer, the operation of toll plaza and collection of revenue has been started w.e.f. June 07, 2018. The completion certificate for Stage-I Project was issued by NHAI w.e.f. September 27, 2018. The revenue collected from toll operations from June 07, 2018 to March 31, 2022 is ₹398.23 Crore. The project is presently in Operations & Maintenance (O&M) phase with respect to Stage-I project.

During the year under review, the revenue from toll operations has registered an increase of 9.35% to ₹120.75 Crore in FY 2021-22 against ₹110.43 Crore in FY 2020-21, owing to increase in tolling fees and traffic. The total revenue for the FY 2021-22 is ₹144.07 Crore as against ₹111.16 Crore for the previous financial year registering an increase of 29.61%. The loss before tax was ₹12.05 Crore for the FY 2021-22 as against loss of ₹14.06 Crore for the previous financial year registering decrease in loss by 14.30%.

The Ministry of Road Transport and Highway (MORTH) / NHAI under the HYBRID Electronic Toll Collection (ETC) Program has initiated the cashless collection of user fee (i.e. 100% e-tolling) at Purankhedi toll plaza w.e.f. February 16, 2021, and during the FY 2021-22 the penetration of FASTag is 98% at the toll plaza.

Stage-II Project: The total cost allocated in the financial model for the Stage-II Project is ₹112.12 Crore, for which IRCON has been engaged as EPC Contractor on cost plus basis, on January 01, 2021. The completion period for the construction of Stage-II project was initially 12 months from the letter of award to EPC Contractor or handover of site, whichever is later. The construction work has been initiated after the site (length of 12.39 kms) was handed over by NHAI on February 21, 2021. Later on, NHAI / Independent Engineer (IE) has intimated that out of the total length of 12.39 kms to be executed under the Stage-II, construction work is being done on length of 10.39 kms stretch, and execution of at the work of construction of one Vehicular Under Pass (VUP) / one box culvert to be done at two locations i.e. start of bypass at Km320+100 and at end of bypass at km 332+100, which is to be done under COS (Change of Scope), for which a proposal has been submitted to IE and also recommended by the Project Director, NHAI.

However, after the close of the year IE on July 27, 2022, has intimated to take up the balance 2 km stretch as per the Concession Agreement.

The construction work of Stage-II project got affected due to Force Majeure Event of second wave of COVID-19 pandemic and subsequent monsoon. Accordingly, based on the request from EPC Contractor, IrconSGTL has made a request to Independent Engineer for extension of time for a period of 180 days in the 'Schedule date of Completion'. The Independent Engineer has recommended to NHAI for extension of time for a period of 91 days i.e. from February 21, 2022 to May 22, 2022, which is under process by NHAI. Additionally, on account of delay in work due to appointment of Independent Engineer and its subsequent impact, impact of third wave of COVID-19 pandemic, delay in issue of applicable permits, strengthening of existing roads and rehabilitation works. After the close of the year, your Company has made another request the Independent Engineer for further extension of time in 'Schedule date of Completion' for a period of 320 days (in addition of above 180 days) i.e. from February 21, 2021 to July 06, 2023, which is under consideration of Independent Engineer / NHAI. The provisional completion certificate for Stage-II project is expected in July / August 2022.

3. SHARE CAPITAL:

The authorized, paid-up and subscribed equity share capital of the Company is ₹150 Crore comprising of 15,00,00,000 equity shares of ₹10/- each as on March 31, 2022.

During the year under review, there was no change in the share capital of your Company, and Ircon International Limited continues to hold 100% paid-up share capital of IrconSGTL.

4. DIVIDEND, RESERVES AND NET WORTH:

The Board of Directors does not recommend any dividend on the equity shares of the Company for the financial year ended on March 31, 2022.

Your Company has a net worth of ₹61.70 Crore, after considering negative balance of ₹88.30 Crore in the Reserves as on March 31, 2022.

5. SECURED LOANS AND RATING:

The financial closure of the project of your Company was achieved by tying up the entire debt requirement of ₹722.11 Crore from the holding company, Ircon International Limited

in the form of secured loan. Your company had availed a total loan of ₹579.59 Crore from IRCON and outstanding balance as on March 28, 2022 stood at ₹501 Crore. During the year under review, after obtaining approval from NHAI your company has availed re-financing term loan facility / secured loan of ₹501 Crore from State Bank of India (SBI) on March 28, 2022, for retirement of outstanding existing loan of the holding company. IRCON has provided Corporate Guarantee in favour of SBI for the said re-financed loan. The outstanding balance of ₹501 Crore availed from IRCON was repaid in full on March 28, 2022.

During the FY 2021-22, CARE Ratings Limited has provided 'CARE AAA (CE)' rating for the long-term bank facilities of ₹501 Crore to your Company. The said rating was reaffirmed in July 2022 for the outstanding long-term bank facilities of ₹499.86 Crore (Reduced from ₹501 Crore).

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

No material changes and commitments have occurred which affect the financial position of the Company between the end of the financial year and the date of this report.

7. DETAILS ON IMPACT OF COVID-19:

The Company has taken all the prescribed precautions as suggested by the Government, to mitigate the impact of the novel coronavirus (COVID-19). The details on impact of COVID-19 pandemic has been disclosed in the Financial Statements.

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

The particulars as prescribed under the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy:

- (i) the steps taken or impact on conservation of energy – **NIL**
- (ii) the steps taken by the Company for utilizing alternate sources of energy – **Solar powered blinkers were installed at the project stretch at a total cost of approx. ₹1 Lakh.**
- (iii) the capital investment on energy conservation equipment – **NIL**

B. Technology Absorption: Not Applicable

- (i) the efforts made towards technology absorption;

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

C. Foreign Exchange Earnings and Outgo during the year: **Not Applicable**

- (i) Foreign Exchange Earned
- (ii) Foreign Exchange Outgo

9. RESEARCH AND DEVELOPMENT (R&D):

No R&D activities were carried out during the period under review.

10. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

DIRECTORS:

During the year under review, the holding Company had nominated Shri Yogesh Kumar Misra [having DIN: 07654014], Chairman & Managing Director, IRCON, as the Chairman (Part-time Nominee) of your Company, vice Shri Shyam Lal Gupta, Director (Projects), IRCON w.e.f. May 13, 2021. Shri Yogesh Kumar Misra held the post of Chairman upto October 01, 2021, and thereafter pursuant to change in nomination by the holding company, Shri Ashok Kumar Goyal [having DIN: 05308809] is appointed as Chairman w.e.f. October 01, 2021. Shri Devendra Kumar Sharma [having DIN: 08556821] ceased to be Director of the Company consequent to change in nomination by IRCON (holding Company) w.e.f. August 02, 2021. Also, the holding company has nominated Ms. Ritu Arora [having DIN: 00002455], Company Secretary IRCON as Director w.e.f. May 13, 2021; Shri Masood Ahmad [having DIN: 09008553], Chief General Manager (Civil), IRCON as Director w.e.f. August 02, 2021; and Shri Parag Verma [having DIN: 05272169], Executive Director (Infrastructure), IRCON as Director w.e.f. December 29, 2021.

The composition of the Board of Directors of the Company as on March 31, 2022, was as follows:

S. No.	Name	Designation
1.	Shri Ashok Kumar Goyal [DIN: 05308809]	Chairman
2.	Shri Parag Verma [DIN: 05272169]	Director
3.	Shri Surajit Dutta [DIN: 06687032]	Director
4.	Shri Masood Ahmad [DIN: 09008553]	Director
5.	Ms. Ritu Arora [DIN: 00002455]	Director

None of the Directors are related to each other.

In accordance with the provisions of Companies Act, 2013, Shri Ashok Kumar Goyal, [having DIN: 05308809], Chairman shall retire by rotation at this Annual General Meeting of your Company and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment as Director and his brief resume is annexed to the Notice of the Annual General Meeting.

After the closure of the year, the holding company has nominated Shri Mugunthan Boju Gowda [having DIN: 08517013], Executive Director (Finance), IRCON as Director, vice Shri Surajit Dutta [having DIN: 06687032] w.e.f. April 01, 2022. Later, Shri Rohit Parmar [having DIN: 08190141], Chief General Manager (Finance), IRCON is nominated as Director, in place of Shri Mugunthan Boju Gowda w.e.f. June 01, 2022.

Shri Parag Verma and Shri Rohit Parmar were appointed as additional directors. Their appointment is proposed to be regularized at the ensuing 7th AGM of the Company and has been included in the notice of ensuing AGM.

KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of section 203 of the Companies Act 2013, the following were the Key Managerial Personnel (KMP) of the Company as on March 31, 2022:

S. No.	Name	Designation
1.	Shri Atul Kumar	Chief Executive Officer (CEO)
2.	Shri Vinay Kumar Ahuja	Chief Financial Officer (CFO)
3.	Ms. Iti Matta	Company Secretary (CS)

During the year under review, due to nomination as Director in IrconSGTL Shri Masood Ahmad ceased to be CEO and KMP w.e.f. August 02, 2021 and in his place Shri Atul Kumar was nominated by the holding company. Shri Atul Kumar was appointed by the Board as CEO and KMP w.e.f. August 03, 2021. Also, Shri Sanjeev Kumar Gupta ceased to be a CFO & KMP of the Company w.e.f. 01.07.2021 and Shri Vinay Kumar Ahuja was nominated as CFO & KMP of the Company w.e.f. July 01, 2021.

Shri Vinay Kumar Ahuja ceased to be CFO of the Company on March 31, 2022, and in his place Smt. Rachna Tomar is nominated as CFO by the holding Company. After the close of the year, Smt. Rachna Tomar is appointed by the Board as CFO and KMP of the Company w.e.f. April 01, 2022.

11. MEETINGS OF THE BOARD OF DIRECTORS, AGM AND ATTENDANCE OF DIRECTORS:

During the financial year 2021-22, seven (7) Board Meetings were held i.e. on June 22, 2021; July 19, 2021; August 10, 2021; October 08, 2021; November 08, 2021, February 08, 2022 and March 31, 2022. The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. All the Board meetings were held through physical mode, except one meeting held on June 22, 2021 which was held through Video Conferencing mode. All the meetings of the Board of Directors and Annual General Meeting were held at the registered office of the Company.

The attendance details of the Board Meetings is as follows:

S. No.	Date of the Meeting	Board Strength	No. of Directors Present
1.	22.06.2021	5	5
2.	19.07.2021	5	4
3.	10.08.2021	5	5
4.	08.10.2021	4	4
5.	08.11.2021	4	3
6.	08.02.2022	5	4
7.	31.03.2022	5	5

The details Director's attendance at Board Meetings and Annual General Meeting held during FY 2021-22 are tabled below:

S. No.	Date of Board Meeting / AGM	Attendance of Directors						
		Shri Ashok Kumar Goyal	Shri Yogesh Kumar Misra (upto 01.10.2021)	Shri Surajit Dutta	Shri Devendra Kumar Sharma (upto 02.08.2021)	Ms. Ritu Arora	Shri Parag Verma (w.e.f. 29.12.2021)	Shri Masood Ahmad (w.e.f. 02.08.2021)
1	22.06.2021	✓	✓	✓	✓	✓	N.A.	N.A.
2	19.07.2021	✓	✓	✓	L/A	✓	N.A.	N.A.
3	10.08.2021	✓	✓	✓	N.A.	✓	N.A.	✓
4	08.10.2021	✓	N.A.	✓	N.A.	✓	N.A.	✓
5	08.11.2021	L/A	N.A.	✓	N.A.	✓	N.A.	✓
6	08.02.2022	✓	N.A.	L/A	N.A.	✓	✓	✓
7	31.03.2022	✓	N.A.	✓	N.A.	✓	✓	✓
8.	AGM - 18.08.2021	✓	✓	✓	N.A.	✓	N.A.	✓

N.A. - Not a director as on said date.

L/A - Leave of Absence.

12. INDEPENDENT DIRECTORS, COMMITTEES OF THE BOARD OF DIRECTORS, AND EXEMPTIONS THERETO:

In terms of provisions of section 149(4) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, unlisted public companies, which are wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Also, read with the provisions of section 177(1), 178(1) and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the requirement of constitution of 'Audit Committee' and 'Nomination and Remuneration Committee', is not applicable on such companies.

Further, in terms of Department of Public Enterprises (DPE) OM dated July 8-10, 2014 read with OM dated July 11, 2019, the CPSE's constituted as Special Purpose Vehicle (SPV) are exempted from compliance with the DPE Guidelines on Corporate Governance for CPSEs.

Accordingly, IrconSGTL, an unlisted public company and a wholly-owned subsidiary company of IRCON, is not required to appoint Independent Directors on its Board, and the declaration by the Independent Directors is also not applicable. Further, the constitution of Audit Committee and Nomination & Remuneration Committee of the Board is also not applicable.

13. PERFORMANCE EVALUATION:

In terms of Ministry of Corporate Affairs (MCA) notification no. GSR 463(E) dated June 05, 2015, the provisions of section 134(3)(p) of the Companies Act, 2013 read with sub-rule 4 of rule 8 of the Companies (Accounts) Rule 2014 and section 178(2) of the Companies Act, 2013, regarding annual evaluation of the Board, its Committees and of the individual directors, is not applicable to the Government Companies, in case the Directors are evaluated by the Ministry which is administrative in-charge of the Company as per its own evaluation methodology.

IrconSGTL is a Government Company and a wholly-owned subsidiary of IRCON. All the Directors of your company are nominated by the holding company, who are subject to evaluation by the holding company as per its pre-defined criteria in line with the guidelines of the Government of India.

14. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, with regard to Corporate Social Responsibility (CSR) are at present not applicable on the Company.

15. RISK MANAGEMENT:

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

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Adequate internal financial controls are exercised in the Company, keeping in view the size of operations of the Company. The Company is following all the applicable Accounting Standards for properly maintaining the books of account and reporting in the financial statements.

The Company has appointed an independent firm of Chartered Accountants as Internal Auditors to ensure that the Company's systems and practices are designed with adequate internal controls to match the size and nature of operations of the Company. The Internal Auditors conduct a half yearly audit and review, covering all areas of operation. The

Reports of the Auditors along with the management's responses are placed before the Board of Directors for discussion and necessary action.

17. PARTICULARS OF EMPLOYEES:

As on March 31, 2022, the Company has 11 employees, which included 6 employees deputed by the holding company which are on regular basis, and 5 employees appointed by your Company on contract basis.

The provisions of section 197 of the Companies Act, 2013 pertaining to managerial remuneration and requirements of disclosures in the Board's Report as specified under section 197(12) of the Companies Act, 2013 and the related rules thereto are not applicable on the Government companies in terms of notification no. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs (MCA). Accordingly, such particulars are not included as part of Directors' Report.

No remuneration is being paid to the Directors of the Company. The remuneration paid to the KMPs is disclosed in the 'Extract of Annual Return'.

18. VIGIL MECHANISM:

In compliance with the provisions of section 177(9) of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014, with respect to establishment of vigil mechanism, the Board of Directors have approved vigil mechanism for employees and directors to report concerns about unethical behaviour actual or suspected frauds and to provide safeguard against victimization of employees and Directors who avail the mechanism.

The requirement of appointment of Independent Directors and constitution of Audit Committee is not applicable on the Company. Thus, the Board of Directors have nominated a director for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

Under the vigil mechanism adopted by your Company, the complaints of

(a) nominated / deputed employees from the holding company shall be addressed as per the 'Whistle blower policy' of IRCON (Holding Company), which is available at the website of the IRCON at the link https://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en along with the names and other details of the officials to whom the complaints are to be addressed.

(b) for other persons in the employment of the Company, the Complaints shall be addressed to:

Shri Masood Ahmad, Director,

Ircon Shivpuri Guna Tollway Limited (IrconSGTL)

Address: C-4, District Centre, Saket, New Delhi – 110017

Phone No.: +91-011-26545410

Email id: masood.ahmad@ircon.org

No complaints were received during the FY 2021-22 and no person have been denied access to the aforementioned designated officials / vigil mechanism adopted by the Company.

19. PROTECTION OF WOMEN AT WORKPLACE:

There were no complaints of sexual harassment pending at the beginning or received by the Company during the year under review.

Your Company has adopted the 'Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace' (POSH Policy) formulated by the holding company, IRCON, which is available at the website of the holding company at link https://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en. The Internal Complaints Committee (ICC) of IRCON formed at the Corporate Office as well as its nearest project office shall be the ICC of IrconSGTL, for dealing with matters under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

20. MEMORANDUM OF UNDERSTANDING:

Your Company has requested the holding company for seeking exemption from DPE through the Ministry of Railways from signing Memorandum of Understanding (MOU) between IRCON and IrconSGTL for the FY 2021-22 & 2022-23.

21. MSME COMPLIANCES:

In exercise of powers conferred by the provisions of section 9 of the Micro, Small and Medium Enterprise Development Act, 2006, the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than ₹500 Crore and all CPSEs shall be required to get themselves on-boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. The Registrar of Companies (RoC) in each State shall be the

competent authority to monitor the compliance of such instructions and also the Department of Public Enterprises, Government of India shall be the competent authority to monitor the compliance of such instructions by the CPSEs. In compliance with the above instruction, the Company has boarded on the TReDS platform w.e.f. December 16, 2019, to facilitate the financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date.

The Annual Procurement targets from MSEs have been complied during FY 2021-22.

22. DIRECTORS' RESPONSIBILITY STATEMENT:

(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 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.

23. AUDITOR:

STATUTORY AUDITOR:

The Comptroller & Auditor General of India (C&AG) appointed M/s P.R. Kumar & Co., Chartered Accountants (Firm Registration No. 003186N) as the Statutory Auditors of your Company for the FY 2021-22, in terms of the provisions of the Companies Act, 2013.

The Statutory Auditors of your Company have given report on the financial statements for the FY 2021-22 drawing attention under 'Report on Internal Financial Controls'. The observations and the management's reply thereto is as under -:

Observation of Statutory Auditors for FY ending 31.03.2022	Management Reply
<p>The company has independent software, namely "Comvision Tollway Management System" for the operation of Tollway Plaza and we have noticed that the company should have more robust control so that the company will not lose the revenue in relation to overweight charges</p>	<p>The software has been reviewed to enable mitigating of the such weakness to improve the overall internal financial control. TMS (Toll Management System) has been updated for following improvements during the year 2021-22:</p> <ol style="list-style-type: none"> 1. Sometimes system by error shows standard weight as "zero". System has been updated now this issue has been eliminated. As of now issues of overweight due to this zero-weight revenue loss has been taken care of. 2. Timely calibration of WIM and SWB from government department have been done for overweight charges. 3. Internet speed has been increased from 4mbps to 10mbps. This has improved tag reading efficiency. 4. Ensuring timely audit of ETC (Electronic toll collection) transactions. 5. ICD 2.5 has been implemented to monitor revenue losses due to blacklisting of tags. 6. RFID reader location has been changed for fast reading of FASTag. 7. TMS has been integrated with TMCC (Toll Monitoring & Control Centre) portal of IHMCL, New Delhi for real time monitoring of transactions and physical fitness of hardware and software.

COST AUDITOR:

In accordance with the provisions of section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records. M/s Ravi Sahni & Co., Cost Accountants were appointed as the Cost Auditors of the Company for FY 2021-22, in terms of the provisions of the Companies Act, 2013.

INTERNAL AUDITOR:

Your Company had appointed M/s Ravi Ranjan Co. LLP, Chartered Accountants as the Internal Auditors of the Company for FY 2021-22, in terms of the provisions of the Companies Act, 2013. During the year under review, M/s Ravi Ranjan Co. LLP had conducted internal audit on half-yearly basis and submitted their report to the Board of Directors.

SECRETARIAL AUDITOR:

Pursuant to provision of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s Vasisht & Associates, Company Secretary in practice (CP No. 21476), as the Secretarial Auditor of the Company for the FY 2021-22. The Secretarial Audit Report for FY 2021-22 do not contain any adverse observations and forms part of this Report.

24. C&AG REVIEW:

The comments of Comptroller and Auditor General (C&AG) of India on the Financial Statements for the year ending March 31, 2022, have been received and are enclosed with the annual report.

25. ANNEXURES TO THE REPORT:

The following certificate / reports etc. are annexed and forms an integral part of this report:

A. EXTRACT OF ANNUAL RETURN: As per requirement under the provisions of section 92(3), Section 134(3) of the Companies Act, 2013 and rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in Form No. MGT-9 is enclosed to this Report as '**Appendix-A**'.

B. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES: During FY 2021-22 the related party transactions were with the holding company, IRCON and were approved in terms of the Companies Act, 2013. These transactions were at arm's length basis and in the ordinary course of business of the Company. The details of Related Party Transactions in form AOC-2 is enclosed to this report as '**Appendix-B**'.

C. SECRETARIAL AUDIT REPORT: The Secretarial Audit Report by M/s Vasisht & Associates is enclosed to this report as '**Appendix-C**'.

26. OTHER DISCLOSURES:

- (i) Your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to 'Meetings of the Board of Directors' and 'General Meetings' during the FY 2021-22.
- (ii) Your Company has not accepted any deposits from the public during the financial year.
- (iii) Your Company does not have Subsidiary / Associate / Joint Venture Company.
- (iv) There was no change in the nature of business of your company during the year ended March 31, 2022.
- (v) No application under Right to Information Act, 2005 has been received by your company during the FY 2021-22, however, RTI applications transferred from DPE were duly replied during the FY 2021-22.
- (vi) There were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Further, there were no instances of fraud reported by the Auditors vide their Report for the FY 2021-22.
- (vii) There are no proceedings initiated / pending against your Company under the Insolvency and Bankruptcy Code, 2016.
- (viii) The Company has not given any loans or guarantees or made any investment covered under the provisions of section 186 of the Companies Act, 2013.
- (ix) All Directors had disclosed his nature of their interest / concern in the company or companies or bodies corporate, firms, or other association of individuals as required under the Companies Act, 2013 from time to time.
- (x) The Annual Report and the Annual Public Procurement Policy of your company are placed at the website of the holding company at link https://www.ircon.org/index.php?option=com_content&view=article&id=58&Itemid=611&lang=en.

ACKNOWLEDGEMENTS

Your Board of Directors place on record their appreciation for the support extended by the holding company, Ircon International Limited, Ministry of Road Transport and Highways (MORTH) / National Highways Authority of India (NHAI), various other government agencies, Banks, Comptroller & Auditor General of India (C&AG), Statutory Auditors, Internal Auditor, Cost Auditors and Secretarial Auditor during the year.

Your Board of Directors take this opportunity to record their appreciation of the continuous support and contribution from all the employees of the Company. Your Board of Directors

also takes this opportunity to convey their gratitude and sincere thanks for the cooperation and assistance received from the Shareholders during the period under report. The Board of Directors acknowledges your confidence and continued support and looks forward for the same in the future as well.

For and on behalf of Board of Directors

Sd/-
(Ashok Kumar Goyal)
Chairman
[DIN: 05308809]

Date: 18.08.2022
Place: New Delhi

'Appendix-A'**FORM NO.MGT -9
EXTRACT OF ANNUAL RETURN**As on the Financial Year ended 31st March, 2022*(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)***I. REGISTRATION AND OTHER DETAILS**

1	Corporate Identity Number (CIN)	-	U45400DL2015GOI280017
2	Registration Date	-	12th May 2015
3	Name of the Company	-	Ircon Shivpuri Guna Tollway Limited
4a)	Category of the Company	-	Public Company
4b)	Sub-category of the Company	-	Government Company (Wholly owned subsidiary of Ircon International Limited), limited by shares and company having share capital
5	Address of the Registered office & contact details	-	Plot No. C-4, District Centre, Saket, New Delhi – 110017
			Ph. No.: 011-26545267
			Email id: cs.irconsqtl@gmail.com
6	Whether Listed Company (Yes/ No)	-	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	-	NIL

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:**

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/service	% to total turnover of the Company
1	Rendering Services in the nature of construction 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

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary / Associate	% of shares held	Applicable section
1	Ircon International Limited C-4, District Centre, Saket, New Delhi - 110017	L45203DL1976GOI008171	Holding	100%	2(46)

*100% Shares held by Ircon International Limited (IRCON) and its 7 Nominees.

d) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
Sub-total B (2):	-	-	-	-	-	-	-	-	-
Total B = B(1) + B(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian against which Depository receipts have been issued	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	Nil	150000000	150000000	100%	Nil	150000000	150000000	100%	-

Notes:

1. IrconSGTL is a wholly- owned subsidiary of Ircon International Limited (IRCON).
2. 14,99,99,200 shares of ₹10/- each held by IRCON and 800 shares of ₹10/- each are held by 7 nominee shareholders "for and on behalf of Ircon International Limited" i.e. 1 shareholder is holding 200 shares and rest 6 shareholders are holding 100 shares.

(ii) SHAREHOLDING OF PROMOTERS:

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2021			Shareholding at the end of the year i.e. 31.03.2022*			% 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%	Nil	150000000	100%	Nil	-
		150000000	100%	Nil	150000000	100%	Nil	-

*List of Shareholdings by IRCON and its nominees as on 31st March 2022, are attached as **Annexure**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING:

S. No.	Particulars	Shareholding at the beginning of the Year, as on 31st March 2021		Cumulative Shareholding during the Year, as on 31st March 2022	
		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 (01.04.2021)	150000000	100%	150000000	100%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment	NIL			

	/transfer / bonus/ sweat equity etc.):				
3.	At the End of the Year (31.03.2022)	150000000	100%	150000000	100%

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

S. No.	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 (01.04.2021)	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 (31.03.2022)				

(iv) **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 2021		Cumulative Shareholding during the Year as on 31 st March 2022	
	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	-			

Note:

1. As on 31st March 2022, 100 equity shares of ₹10/- each, each were held by the Directors of the Company, viz. Shri Ashok Kumar Goyal, Shri Surajit Dutta, Shri Parag Verma, "for and on behalf of Ircan International Limited".

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans		Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2021					
i) Principal Amount	5,26,00,00,000	-	-	-	5,26,00,00,000
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-

Total (i+ii+iii)	5,26,00,00,000	-	-	-	5,26,00,00,000
Total Secured Loans (i+ii+iii)	5,26,00,00,000				
Change in Indebtedness of Principal during the financial year					
* Addition	5,01,00,00,000	-	-	-	5,01,00,00,000
* Reduction	5,27,14,02,872	-	-	-	5,27,14,02,872
Net Change (in Secured Loans)	4,99,85,97,128				
Change in Indebtedness of Interest during the financial year					
* Addition	-	-	-	-	-
* Reduction	-	-	-	-	-
Indebtedness at the end of the financial year i.e. 31.03.2022	-	-	-	-	-
i) Principal Amount of Secured Loan	4,99,85,97,128	-	-	-	4,99,85,97,128
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total Secured Loans (i+ii+iii)	4,99,85,97,128				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary	NOT APPLICABLE	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

* IrconSGTL has Part-time Directors nominated on the Board by the holding company "IRCON". They do not draw any remuneration from the Company. No sitting fee is paid to the Part-time Directors.

(B). REMUNERATION TO OTHER DIRECTORS:

S.No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (B1)		

2	Other Non-Executive Directors	NOT APPLICABLE
	Fee for attending board committee meetings	
	Commission	
	Others, please specify	
	Total (B2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration (A+B)	
	Ceiling as per the Act – not applicable	

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO		CFO		CS	
		Shri Masood Ahmad (upto 02.08.2021)	Shri Atul Kumar (w.e.f. 03.08.2021)	Shri Sanjeev Kumar Gupta (Upto 30.06.2021)	Shri Vinay Ahuja (w.e.f. 01.07.2021 upto 31.03.2022)	Smt. Iti Matta (During FY 2021-22)	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,78,680	25,26,945	3,90,238	22,06,598	15,26,070	75,28,531
	(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	Others (Medical Spl. diseases)	-	2,94,683	52,454	-	-	3,47,137
5	Performance linked incentive	1,24,897	3,47,718	42,072	3,22,114	1,93,536	10,30,337

6	Retirement benefits	2,75,888	7,12,969	1,67,355	6,12,226	4,23,493	21,91,931
	Total	12,79,465	38,82,315	6,52,119	31,40,938	21,43,099	1,10,97,936

Note: Section 197 of the Companies Act, 2013 is exempt for Government Companies in terms of MCA notification no. GSR 463(E) dated 5th June 2015 of the Ministry of Corporate Affairs

VII. 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					

For and on behalf of Board of Directors
sd/-
(Ashok Kumar Goyal)
Chairman
[DIN: 05308809]

Date: 18.08.2022
Place: New Delhi

Annexure

List of Shareholders (as on 31st March 2022)

Sl. No.	Name of the Shareholder	No. of shares held (of Rs 10/- each)
1	Ircon International Limited	14,99,99,200
2	Shri Yogesh Kumar Misra*	100
3	Shri Shyam Lal Gupta*	200
4	Shri Ashok Kumar Goyal*	100
5	Shri Surajit Dutta*	100
6	Shri Parag Verma*	100
7	Shri Subhash Chand*	100
8	Shri B. Mugunthan*	100
	Total	15,00,00,000

*200 shares held by one nominee shareholder and 100 share each held by six nominee shareholders; all are officials of the holding company Ircon International Limited (IRCON) and holding shares "for and on behalf of IRCON".

FORM NO. AOC-2

DISCLOSURE OF PARTICULARS OF CONTRACTS / ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER FOURTH PROVISIO THERETO, FOR THE FINANCIAL YEAR 2021-22

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

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

Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received / paid as advances by IrconSGTL, if any (₹ in Crore)
Ircon International Limited (IRCON), Holding Company	1. EPC Agreement (For appointing IRCON as EPC Contractor)	Date: EPC Agreement executed on 20.01.2021. Duration: 12 months from letter of award dated 01.01.2021 or handover of site, whichever is later.	Execution of complete scope of work of Stage-II of the project 'Four laning of Shivpuri to Guna from Km 236.000 to Km 332.100 (Package 1) in the State of Madhya Pradesh.	26.11.2020	₹13.37 Crore paid as recoupable advance
	2. Lease Agreement (To take on lease premises of IRCON as the Registered Office Premises of IrconSGTL)	Date: Lease Agreement executed on 02.06.2021 Duration: 01.07.2021 to 31.03.2023	Rent: @ ₹21,236/- p.m. plus GST for an area of 65 sqm.	22.06.2021	NIL
	3. Civil Construction and Electrical works for proposed	Date: Letter of award dated 26.07.2021 Duration: 30	Civil construction and electrical works for proposed two numbers of	08.10.2021	NIL

		Oxygen Generation Plants in the State of Madhya Pradesh (For appointing IRCON as agency for the works)	days from issue of LOA	oxygen plants in the State of Madhya Pradesh at two locations i.e. (i) District Hospital, Guna [1000 LPM (DRDO)] and (ii) Civil Hospital, Aron Distt., Guna [500 LPM (DRDO)], on reimbursement basis.		
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Note:

1. Apart from the above transactions, the holding company has also deputed its employees to IrconSGTL, which is on actual cost (CTC) basis. The salary benefits paid to such deputed employees is as per IRCON's policy and are being reimbursed by IrconSGTL on actual basis.
2. The details of "Related Party Disclosures" as per accounting standards are being disclosed in Notes to the accounts in the Financial Statements.

For and on behalf of Board of Directors
sd/-

(Ashok Kumar Goyal)
Chairman
[DIN: 05308809]

Date: 18.08.2022
Place: New Delhi

FORM NO. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2021-22**

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

To,

The Members,

IRCON SHIVPURI GUNA TOLLWAY LIMITED

CIN: U45400DL2015GOI280017

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

I, Shobhit Vasisht, Proprietor of Vasisht & Associates, have conducted the Secretarial Audit of the compliance 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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable to the Company)**



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder ;**(Not Applicable to the Company)**
- (iv) The Foreign Exchange Management Act, 1999 and the rules made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;**(Not Applicable to the Company)**
- (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, 2015; **(Not Applicable to the Company)**
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company)**
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company)**
 - (e) The Securities and Exchange board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company)**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; **(Not Applicable to the Company)**
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and amendments thereof regarding the Companies Act and dealing with client; **(Not Applicable to the Company)**
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; **(Not Applicable to the Company)**
 - (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018; **(Not Applicable to the Company)**
- (vi) I further report that the system and processes of the Company are in place to ensure the compliance with general laws like Labour Laws, The Indian Contract Act, The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 etc. For the purpose of examining adequacy of compliance with other applicable laws including industry / sector specific laws, under both Central and State legislation, reliance has been placed on the representation made by the Company and its officers for systems and mechanism formed by the Company for the compliance under these laws.



I have also examined compliance with the applicable provisions of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting;
- (ii) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

(However, it is understood that as the Company is constituted as Special Purpose Vehicle (SPV), and such companies have got an exemption for appointment of independent directors, submitting Quarterly report and other Compliances of Corporate Governance Guidelines issued by Department of Public Enterprises (DPE), vide its O.M. dated July 11, 2019 and July 8, 2014.)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

I further report that:

- The Board of Directors of the Company has been duly constituted with Non-Executive Directors (including Women Director) as nominated by its Holding Company ("Ircan International Limited"), as per the Articles of Association of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for meetings of the Board of Directors, where consent for shorter notice was obtained. System exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings, as represented by the management, were taken unanimously as recorded in the minutes of the meeting of the Board of Directors.
- As per the explanations given to me and the representations made by the Management and relied upon by me, 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.



During the period under review, as explained and represented by the management, following specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., have been undertaken by the Company.

1. The Company has availed Rupee Term loan facility of Rs.501 Crore from State Bank of India ('SBI') for re-financing the existing term loan obtained from holding Company Ircon International Limited ('IRCON'). After disbursement of loan by SBI to the Company on March 28, 2022, the outstanding balance of existing term loan obtained from IRCON amounting to Rs.501 Crore has been repaid by the Company and all the remaining dues of the Company in respect of the loan have been paid during FY 2021-22.

For VASISHT & ASSOCIATES;
(Company Secretaries)



Shobhit Vasisht
CS SHOBHIT VASISHT

UDIN: F011517D000276353

PR No: 844/2020

FCS No: 11517

C P No: 21476

Date: May 05, 2022

Place: Faridabad

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

Annexure-A

To,
The Members,
IRCON SHIVPURI GUNA TOLLWAY LIMITED
CIN: U45400DL2015GOI280017
C-4, District Centre, Saket, South Delhi, Delhi-110017, India

This 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. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. 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 VASISHT & ASSOCIATES;
(Company Secretaries)


CS SHOBHIT VASISHT

UDIN: F011517D000276353

PR No: 844/2020

FCS No: 11517

C P No: 21476

Date: May 05, 2022

Place: Faridabad



**AUDITORS' REPORT
&
FINANCIAL STATEMENTS**

P. R. Kumar & Co.

C-2/4 Safdarjung Development Area, Main Aurobindo Marg, New Delhi- 110016, India
Tel.: +91 (11) 47118888 | E-mail: prkumar@prkumar.in

INDEPENDENT AUDITOR'S REPORT

To THE MEMBERS OF IRCON SHIVPURI GUNA TOLLWAY LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **M/s IRCON SHIVPURI GUNA TOLLWAY LIMITED** (a wholly owned subsidiary of M/s IRCON International Limited ("the parent Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the statement of Cash Flow Statement and the Statement of Changes in Equity 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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises Directors Report alongwith its annexures including Secretarial Audit Report but does not include the financial statements and our auditor's report thereon. Such other information is expected to be made available to us after the date of this auditor's report.



Contd...2

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the report mentioned above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. As the other information is not made available to us as at the date of this auditor's report, we have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Company's Act ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Financial Statements

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



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

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

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

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

Other Matters

We draw attention to Note No. 37(ii) of Financial statements which describe the management's assessment of financial impact of the outbreak of Coronavirus (Covid-19) pandemic situation, for which a definitive assessment of the impact in the subsequent period is dependent on the circumstances as they evolve.



Our opinion is not modified in this respect.

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 Act, we give in the **Annexure-I** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable,
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-II** on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. (A) 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 purpose of our audit,
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account,
 - d. the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure III**;
- (B) 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:
 - a. The company does not have any pending litigations which would impact its financial position Refer Note No. 32 to the financial statements;
 - b. The company did not have long term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- d. (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note No. 37 (v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No 37(vi) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- e. The Company has not declared or paid dividend during the year.
- (C) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (16) of Section 197 of the Companies Act, 2013, are not applicable to the Company;

PLACE: NEW DELHI
DATE: 17th MAY, 2022

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N

Deepak



(Deepak Srivastava)
Partner
M. No.: 501615
UDIN: 22501615AJMCCI3814

ANNEXURE OF THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has conducted physical verification of the property, plant and equipment during the financial year under audit, and no discrepancies observed related to fixed assets appearing under Fixed Assets Register.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), consequently clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The company does not have any inventory and consequently, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, consequently, clause 3(iii)(a)(b)(c)(d)(e)(f) of the Order is not applicable.
- (iv) The Company has not given any loan, guarantee, security or made investment as stipulated under Sections 185 & 186 of the Companies Act, consequently, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.



Contd...2

-2-

- (vi) The Company has maintained cost records as required under section 148(1) of the Companies Act, 2013. However, we are neither required to carry out, nor have carried out any detailed examination of such accounts and records.
- (vii) (a) The company has been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales- tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable to it. Being a wholly owned subsidiary of M/s IRCON International Limited (the parent company), majority of the employees are on standby deputation basis, therefore, statutory dues related to such employees, such as Provident Fund, Employees State Insurance Company, Professional Tax, as applicable, are being deducted and deposited by the parent company. However, Employees who are on the payroll of the company, all the employees related statutory dues, such as Provident Fund, Professional Tax as applicable, are being deducted and deposited by company on regular basis.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales- tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues relating to Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales- tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

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-3-

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standard of Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related party is in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



Contd...4

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly clause 3(xvi)(c) of the Order is not applicable.
- (d) According to information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly clause 3(xviii) of the Order not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The company has not prepared consolidated financial statement. Therefore, reporting under clause xxi of the order is not applicable.

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N



PLACE: NEW DELHI
DATE: 17th MAY, 2022

(Deepak Srivastava)
Partner
M. No.: 501615
UDIN: 22501615AJMCCI3814

Annexure-II

ANNEXURE OF THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph (2) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

Sl.No.	Query	Response
1.	Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has separate software for managing the Operations at Toll Plaza, named as "Comvision Toll Management System" and Accounting Records are being maintained under "Tally Solutions" and both the softwares are not integrated.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	There were no cases of waiver / write-off of debts/loans/interest.
3.	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	There were no funds which have been received / receivable for specific schemes from Central / State agencies.

PLACE: NEW DELHI
DATE: 17th MAY, 2022

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N



(Deepak Srivastava)
Partner
M. No.: 501615
UDIN: 22501615AJMCCI3814

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IRCON SHIVPURI GUNA TOLLWAY LIMITED

(Referred to paragraph {3(f)} under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

We have audited the internal financial controls over financial reporting of M/s IRCON SHIVPURI GUNA TOLLWAY LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Contd...2

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial 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

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at March 31, 2022:

- The company has independent software, namely "Comvision Tollway Management System" for the operation of Tollway Plaza and we have noticed that the company should have more robust controls so that the company will not lose the revenue in relation to overweight charges;

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, 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.



Contd...3

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N



(Deepak Srivastava)
Partner
M. No.: 501615



PLACE: NEW DELHI
DATE: 17th MAY, 2022

UDIN: 22501615AJMCCI3814

P. R. Kumar & Co.

C-2/4 Safdarjung Development Area, Main Aurobindo Marg, New Delhi- 110016, India
Tel.: +91 (11) 47118888 | E-mail: prkumar@prkumar.in

Annexure-II

Compliance Certificate

We have conducted the audit of annual accounts of IRCON Shivpuri Guna Tollway Limited for the year ended 31st March, 2022 in accordance with the directions/sub-directions issued by the C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For **P. R. Kumar & Co.**
Chartered Accountants
Firm Reg. No.: 003186N

(Deepak Srivastava)

Partner

M. No.: 501615

UDIN: 22501615AJMCCI3814



PLACE: NEW DELHI
DATE: 17th MAY, 2022

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
BALANCE SHEET As at 31st Mar 2022

(in Rs. crore)

Particulars	Note No.	As at 31st Mar 2022	As at 31st Mar 2021
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and equipment	3	0.46	0.57
(b) Intangible Assets	4	567.20	608.65
(c) Intangible assets under development	4	20.69	-
(d) Financial Assets			
(i) Other Financial Assets	5	0.14	0.14
(e) Deferred tax assets (Net)	6	-	-
(f) Other non-current assets	7	13.37	-
Total Non-current assets		601.86	609.36
2 Current assets			
(a) Financial Assets	8	-	-
(i) Trade Receivables	8.1	0.52	0.46
(ii) Cash and cash equivalents	8.2	1.59	6.42
(iii) Loans	8.3	-	-
(iv) Other Financial Assets	8.4	-	0.01
(b) Current Tax Assets (Net)	9	0.10	0.04
(c) Other current assets	10	0.35	-
Total Current assets		2.56	6.93
Total Assets		604.42	616.29
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	11	150.00	150.00
(b) Other Equity	12	(88.30)	(76.25)
Total Equity		61.70	73.75
2 Liabilities			
(i) Non-current liabilities			
(a) Financial Liabilities	13		
(i) Borrowings	13.1	493.06	490.07
(ii) Trade Payables			
- Dues of Micro Enterprises and Small Enterprises			
- Total outstanding dues other than of Micro Enterprises and Small Enterprises			
(iii) Other financial liabilities	13.2	0.03	-
(b) Provisions	14	23.14	10.47
(c) Deferred Tax Liabilities Net	6	-	-
Total Non-current liabilities		516.23	500.54
(ii) Current liabilities			
(a) Financial Liabilities	15		
(i) Borrowings	15.1	6.80	35.93
(ii) Trade payables	15.2		
- Dues of Micro Enterprises and Small Enterprises			
- Total outstanding dues Other than of Micro Enterprises and Small Enterprises		6.41	0.46
(iii) Other financial liabilities	15.3	11.86	5.13
(b) Other current liabilities	16	1.42	0.48
(c) Provisions	14	-	-
Total Current liabilities		26.49	42.00
Total Equity and Liabilities		604.42	616.29
III. Summary of Significant Accounting policies	1 - 2		
IV. Notes forming part of financial statements	3-39		

As per our Report of even date attached

For and on behalf of Ironcon Shivpuri Guna Tollway Limited

For P. R. KUMAR & Co.
Chartered Accountants
Firm Reg. No. 003186/N
(CA Deepak Srivastava)
Partner
M. No. 501615



(Masood Ahmad)
Director
DIN-09009553

(Anul Kumar)
Chief Executive Officer

(Mugunthan Boju Gowda)
Director
DIN-08517013

(Rachna Tomar)
Chief Financial Officer

(Ii Matta)
Company Secretary

Place : New Delhi
Date : 17/05/2022



IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022



(in Rs. crore)

Particulars	Note No.	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
I. Revenue :			
Revenue from operations	17	143.86	110.78
II. Other income	18	0.21	0.38
III. Total Income (I + II)		144.07	111.16
IV. Expenses:			
Project Expenses	19	71.05	40.11
Employee benefits expenses	20	1.94	1.72
Finance costs	21	41.51	41.51
Depreciation, Amortisation and Impairment	22	41.56	41.73
Other Expenses	19	0.06	0.15
Total Expenses (IV).		156.12	125.22
V. Loss Before exceptional items and Tax (III - IV)		(12.05)	(14.06)
VI. Exceptional items		-	-
VII. Loss before tax (V + VI)		(12.05)	(14.06)
VIII. Tax expenses:			
(1) Current tax			
- For the Period		-	-
- For earlier years (net)		-	-
(2) Deferred tax (net)	6	-	-
Total Tax Expense		-	-
IX. Loss for the period from continuing operation (VII - VIII)		(12.05)	(14.06)
X. Other Comprehensive Income		-	-
XI. Total Comprehensive Income for the period (IX + X) (Comprising profit/(Loss) and other comprehensive income for the year, net of tax)		(12.05)	(14.06)
XII. Earnings Per Equity Share: (For Continuing Operation)			
(1) Basic (Absolute Value in INR)	30	(0.80)	(0.94)
(2) Diluted (Absolute Value in INR)	30	(0.80)	(0.94)
Face Value Per Equity Share		10.00	10.00

As per our Report of even date attached

For and on behalf of Ircan Shivpuri Guna Tollway Limited

For P. R. KUMAR & Co.
Chartered Accountants
Firm Reg. No. : 003186N

(CA Deepak Srivastava)
Partner
M. No. 501615



(Masood Ahmad)
Director
DIN-09408553

(Atul Kumar)
Chief Executive Officer

(Madgunthan Boju Gowda)
Director
DIN-08517013

(Rachna Tomar)
Chief Financial Officer

(Iti Matta)
Company Secretary



Place : New Delhi

Date : 17/05/2022

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022

(in Rs. crore)

Particulars		As at 31st Mar 2022	As at 31st Mar 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		(12.05)	(14.06)
Adjustment for:			
Unwinding of discount on provisions		0.44	-
Depreciation, amortization and impairment		41.56	41.73
Finance Cost		41.07	41.51
Interest Income		(0.17)	(0.34)
Operating Profit before Current / Non-Current Assets and Liabilities	(1)	70.85	68.84
Adjustment for:			
Decrease / (Increase) in Trade Receivables/ Financial Assets - Loans		(0.06)	(0.33)
Decrease / (Increase) in Other Assets & Financial Assets		(0.34)	0.76
(Decrease) / Increase in Trade Payables		(0.41)	(0.62)
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		19.91	13.07
	(2)	19.10	12.88
Cash generated from operations	(1+2)	89.95	81.72
Income Tax Paid (net)		(1.06)	0.72
NET CASH FROM OPERATING ACTIVITIES	(A)	88.89	82.44
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(0.002)	(0.02)
Purchase of Intangible Assets/ Intangible assets under development		(27.69)	-
Interest Received		0.18	0.34
NET CASH FROM INVESTING ACTIVITIES	(B)	(27.51)	0.32
CASH FLOW FROM FINANCING ACTIVITIES			
Loan From IRCON (Holding Co.)		-	-
Loan From State Bank of India		502.52	-
Repayment of Loan to IRCON (Holding Co.)		(526.00)	(38.15)
Repayment of Loan to State Bank of India		(2.66)	-
Borrowing Cost		(41.07)	(41.51)
NET CASH FROM FINANCING ACTIVITIES	(C)	(67.21)	(79.66)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	-	-
NET DECREASE IN CASH & CASH EQUIVALENTS	(A+B+C+D)	(4.83)	3.10
OPENING CASH AND CASH EQUIVALENTS	(E)	6.42	3.32
Cash Balances			
Balance with Banks			
Short term investments			
CLOSING CASH AND CASH EQUIVALENTS	(F)	1.59	6.42
Cash Balances			
Balance with Banks			
Short term investments			
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(F - E)	(4.83)	3.10

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

2. Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Standalone Statement of Cash Flows :

Particulars	As at 31st March 2022	As at 31st March 2021
Cash in hand		
Cheques/drafts in hand		
Remittance in Transit		
Balances with banks:		
- On current accounts	0.06	0.07
- Fixed Accounts	1.53	6.35
- Deposits with original maturity of less than 3 months	-	-
Total Cash and Cash Equivalents as per Balance Sheet and Standalone Statement of Cash Flows	1.59	6.42

* Out of the above balance of Rs 1.59 Crores (previous year Rs 6.42 crores), Rs 1.332 crores (Previous year Rs 6.333 crores) pertains to ESCROW A/C which are our mark fund as per discussion agreement entered with NHAI.

3. Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

Particulars	Rs in Crores
As at 1st April 2020	Borrowings
(a) Cashflows during the year	564.15
(b) Non cash changes during the year due to:	(38.15)
Transition impact of Ind AS 116	
Interest Accrued	
As at 31st March 2021	526.00
(a) Cashflows during the year	(26.14)
(b) Non cash changes during the year due to:	
Interest Accrued (Net of interest paid)	
As at 31st March 2022	499.86

3. Figures in brackets represent outflow of cash.

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

As per our Report of even date attached

For P. R. KUMAR & Co.
Chartered Accountants
Firm Reg. No.: 003186N

(CA Deepak Srivastava)
Partner
M. No. 301615
Place : New Delhi
Date : 17/05/2022



(Manoj Ahluwalia)
Director
DIN-09009553

(Anul Kumar)
Chief Executive Officer

(Mugunthan Boju Gowda)
Director
DIN-08517013

(Rachna Tomar)
Chief Financial Officer

(Iti Matta)
Company Secretary



IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI280017)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March 2022

A. Equity Share Capital (For the Year ended 31st March 2022)

(Rs. in crore)

Particulars	Amount
Balance as at 01 April, 2020	150.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	150.00
Changes in equity share capital during the year	-
Balance as at 31st March 2022	150.00

B. Other Equity

For the year ended 31st March 2021

(Rs. in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2020	-	(62.19)	-	-	(62.19)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1 April, 2020 (Restated)	-	(62.19)	-	-	(62.19)
Profit/(Loss) for the year	-	(14.06)	-	-	(14.06)
Other Comprehensive Income	-	-	-	-	-
Remeasurement of Defined Benefit Plans	-	-	-	-	-
Foreign Exchange translation difference	-	-	-	-	-
Total Comprehensive Income for the period	-	(14.06)	-	-	(14.06)
Dividends Paid	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
Balance as at March 31, 2021	-	(76.25)	-	-	(76.25)

For the Year ended 31st March 2022

(Rs. in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2021	-	(76.25)	-	-	(76.25)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1 April, 2021 (Restated)	-	(76.25)	-	-	(76.25)
Profit/(Loss) for the year	-	(12.05)	-	-	(12.05)
Other Comprehensive Income	-	-	-	-	-
Remeasurement of Defined Benefit Plans	-	-	-	-	-
Foreign Exchange translation difference	-	-	-	-	-
Total Comprehensive Income for the period	-	(12.05)	-	-	(12.05)
Dividends Paid	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
Balance as at March 31, 2022	-	(88.30)	-	-	(88.30)

As per our Report of even date attached

For and on behalf of Board of Directors

For P. R. KUMAR & Co.
Chartered Accountants
Firm Reg. No. : 003186N

(CA Deepak Srivastava)
Partner
M. No. 501615



(Masood Ahmad)
Director
DIN-09008553

(Arul Kumar)
Chief Executive Officer

(Mugunthan Boju Gowda)
Director
DIN-08517013

(Rachna Tomar)
Chief Financial Officer

(Itri Matta)
Company Secretary

Place : New Delhi

Date : 17/05/2022



1. Corporate Information

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

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

2. Summary of Significant Policies

2.1 Basis of preparation

- i. The financial statements of the company have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.
- ii. The financial statements have been prepared on a going concern basis following accrual system of accounting. The company has adopted the historical cost basis for assets and liabilities, except for the following assets and liabilities which have been measured at fair value:
 - Provisions, where the effect of time value of money is material are measured at present value
 - Certain financial assets and liabilities measured at fair value

2.2 Current vs non-current classification

- i. The company presents assets and liabilities in the balance sheet based on current/ non-current classification.
- ii. An asset is treated as current when it is:



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- Expected to be realized or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period,
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- iii. The company classifies all other assets as non-current.
- iv. A liability is current when:
- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- v. The company classifies all other liabilities as non-current.
- vi. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- vii. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle..

2.3 Statement of Cash Flow

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

2.4. Property, Plant and Equipment

i. Recognition and initial measurement

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

Cost of asset includes

Purchase price, net of any trade discount and rebates.

- (a) Borrowing cost if capitalization criteria is met.
- (b) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use.



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- (c) Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto.
- (d) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Freehold land is carried at historical cost.

ii. Subsequent Measurement

- Property, Plant and Equipment are subsequently measured at cost net of accumulated depreciation and accumulated losses, if any. Subsequent expenditure is capitalized if it is probable that future economic benefits associated with the expenditure will flow to the company and cost of the expenditure can be measured reliably.
- Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalized if the recognition criteria are met.
- The machinery spares are capitalized if recognition criteria are met.

iii. Depreciation and Useful lives

- Depreciation on Property, Plant and Equipment, excluding freehold land is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013 given as follows:

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

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

- Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.
- Property Plant and Equipment acquired during the period, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification.



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- However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value.
- Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. "Ordinarily, the residual value of an asset is up to 5% of the original cost of the asset" as specified in Schedule II of the Companies Act, 2013.

iv. Derecognition

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

2.5 Capital work in progress

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

2.6 Investment Properties

i. Recognition and Initial Measurement

- Investment Property is recognized when it is probable that future economic benefits associated with the property will flow to the company and the cost of property can be measured reliably.
- Investment property comprises completed property, property under construction and property held under a lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Investment properties are measured initially at cost, including transaction costs.
- Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other Ind AS.

ii. Subsequent Measurement and Depreciation

- Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost is added if recognition criteria is met. The company depreciates building component of investment property on straight line basis over 60 years from the date of original purchase/ completion of construction. Freehold land and property under construction is not depreciated.



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- Leasehold land acquired on perpetual lease is not amortized.
- The residual values, useful lives and methods of depreciation of investment property are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- Though the company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair value determined based on an annual evaluation performed by an accredited external independent valuer applying valuation model acceptable internationally.

iii. Derecognition

Investment Properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds if any and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.

2.7 Intangible Assets

i. Recognition and Initial Measurement

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

ii. Subsequent Measurement and Amortization

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

- The cost of capitalized software is amortized over a period 36 months from the date of its acquisition.
- Amortization on additions to/deductions from Intangible Assets during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed
- Amortization methods, useful lives and residual values are reviewed at each financial year end.



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iii. **Derecognition**

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

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

- In respect of Public to Private Arrangements (PPA), on a Built-Operate-Transfer (BOT) basis, Intangible Assets i.e. Right to collect toll/tariff are recognised when the company has been granted rights to charge a toll/tariff from the users of such public services and such rights do not confer an unconditional right on the Group to receive cash or another Financial Asset and when it is probable that future economic benefits associated with the rights will flow to the company and the cost of the asset can be measured reliably.
- The company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.
- Under the Concession Agreements, where the company has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" in accordance with Appendix C to Ind AS 115 - Service Concession Arrangements.
- Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the company receives the completion certificate from the authority as specified in the Concession Agreement.



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- e) An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.
- f) Service Concession Arrangements that meet the definition of an Intangible Asset are recognised at cumulative construction cost. Till completion of construction of the project, such arrangements are recognised as "Intangible Assets Under Development" and are recognised at cumulative construction cost.
- g) The estimated useful life of an intangible asset in a service concession arrangement is the period from where the company is able to charge the public for use of infrastructure to the end of the concession period.
- h) Toll collection right is amortized using straight line method on pro-rata basis from the date of addition or from the date when the right brought in to service to the expiry of concession period.
- i) Amortization methods and useful lives are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis.
- j) The carrying value of intangible asset is reviewed for impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.8 Cash and cash Equivalent

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

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

2.9 Provisions, contingent assets and contingent liabilities



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i. Provisions

- a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.
- b) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- c) Provisions recognised by the Company include provisions for Maintenance, Demobilization, Design Guarantee, Legal Cases, Corporate Social Responsibility (CSR), Onerous Contracts and others.

ii. Onerous contracts

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

iii. Contingent liabilities

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



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

iv. Contingent assets

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

2.10 Revenue Recognition

- i. The Company recognizes and measures revenue from construction in accordance with *Ind AS - 115* "Revenue from Contracts with Customers".
- ii. Transaction price (it does not involve significant financing component) is the price which is contractually agreed with the customer for provision of services. Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties i.e GST and is adjusted for variable considerations.
- iii. The nature of Company's contract gives rise to several types of variable consideration including escalation and liquidated damages.
- iv. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception.
- v. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using the expected value or most likely amount method whichever is better predict the amount.
- vi. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.
- vii. The company satisfies a performance obligation and recognizes the revenue overtime, if any of the following criteria is met:



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- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity perform.
 - The entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or
 - The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.
- viii. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress, using percentage completion method, towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
- ix. Performance obligation is measured by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.
- x. Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.
- xi. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.
- xii. **Contract balances**
- **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the



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earned consideration that is conditional

- **Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments - initial recognition and subsequent measurement.
- **Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

xiii. Revenue from toll collection

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

xiv. Other income

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

2.11 Impairment of non-financial assets

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



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asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories are recognized in the statement of profit and loss.

- ii. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
- iii. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior period. Such reversal is recognized in the statement of profit and loss.

2.12 Inventories

- i. Inventories (including scrap) are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- ii. Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at lower of cost or realizable value thereafter.
- iii. The initial contract expenses on new projects for mobilization are recognized as construction work-in-progress in the year of incidence, and pro rata charged to statement of profit and loss of the project over the period at the same percentage as the stage of completion of the contract as at the end of reporting period. Site mobilization expenditure to the extent not written off valued at cost.



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- iv. In Cost Plus contracts, where the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (a) above.
- v. Loose tools are expensed in the period of purchase.

2.13 Borrowing Cost

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

2.14 Employee Benefits

i. Short Term Employee Benefits

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

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

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

2.15 Leases



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

i. Company as a lessee

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

A. Right-of-use assets

- The company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Leasehold land acquired on perpetual lease is not amortized.
- If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
- The right-of-use assets are also subject to impairment.
- on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.



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

B. Lease liabilities

- At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
- In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.
- The company's lease liabilities are included in financial liabilities.

C. Short term lease and leases of low value assets

- The company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not



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

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

ii. Company as a lessor

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

2.16 Current income tax

- Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current income tax is recognized in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or



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directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

2.17 Deferred tax

- Deferred tax is provided using the liability method on transaction either in OCI or directly in equity.
- Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2.18 Operating Segment

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

2.19 Earnings per Share

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



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

2.20 Foreign Currencies

i. Functional and Presentation Currency

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

ii. Transactions and Balances

- Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.
- Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.
- Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the period in which they arise. These exchange differences are presented in the statement of profit and loss on net basis.

2.21 Fair value measurement

- The company measures financial instruments at fair value at each reporting period.
- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value



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

- a) In the principal market for the asset or liability, or
 - b) In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the company.
- iii. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
 - iv. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
 - v. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
 - vi. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
 - a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
 - c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
 - vii. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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- viii. External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies.
- ix. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
- x. Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.22 Dividend to equity holders

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

2.23 Financial instruments

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

i. Financial assets

a) Initial recognition and measurement

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

b) Subsequent measurement



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

A. Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

B. Debt instruments at FVTOCI

- A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
 - a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
 - b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously



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recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

C. Debt instruments at FVTPL

- a) FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
- b) Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

D. Equity instruments

- All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

E. Impairment of financial assets



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- ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.
- In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
 - a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
 - b. Financial assets that are debt instruments and are measured as at FVTOCI
 - c. Lease receivables under Ind AS 116
 - d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
 - e. Loan commitments which are not measured as at FVTPL
 - f. Financial guarantee contracts which are not measured as at FVTPL
- The company follows 'simplified approach' for recognition of impairment loss allowance on:
 - a. Trade receivables or contract revenue receivables; and
 - b. All lease receivables resulting from transactions within the scope of Ind AS 116
- The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
- For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.



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- Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date
- ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:
 - Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
 - Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
 - Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'
 - The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

F. Derecognition of financial assets

- a) A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash



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- flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.
- b) The difference between the carrying amount and the amount of consideration received / receivable is recognised in the statement of profit and loss.

ii. Financial liabilities

a) Initial recognition and measurement

- All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
- The company's financial liabilities include trade and other payables, loans and borrowings, other financial liabilities etc.

b) Subsequent measurement

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

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

The company has not designated any financial liabilities at FVTPL.

b. Financial liabilities at amortized cost

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

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



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account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

B. Derecognition of financial liabilities

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

iii. Financial guarantee contracts

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

iv. Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The



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company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

v. Offsetting of financial instruments

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

2.24 Non - current asset held for sale

- a) Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment, Investment property and intangible assets are not depreciated or amortized once classified as held for sale. Assets classified as held for sale/distribution are presented separately in the balance sheet.
- b) If the criteria stated by IND AS 105 “Non-current Assets Held for Sale” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of
- i. its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and
 - ii. its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

The depreciation reversal adjustment related property, plant and equipment, Investment property and intangible assets is charged to statement of profit and loss in the period when non-current assets held for sale criteria are no longer met.



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2.25 Prior Period Adjustment

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

2.26 Significant accounting estimates and judgments

- The estimates used in the preparation of the said financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the company believes to be reasonable under the existing circumstances.
- The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the period in which they become known.
- The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

i. Allowances for uncollected trade receivables

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

ii. Contingencies



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

iii. Impairment of financial assets

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

iv. Taxes

- Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.
- Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

v. Impairment of non-financial assets



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

vi. Non-current asset held for sale

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

vii. Leases - Estimating the incremental borrowing rate

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

viii. Determining the lease term of contracts with renewal and termination options - company as Lessee

- The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.
- The company has lease contracts that include extension and termination options. The company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the



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

ix. Revenue recognition

- The company's revenue recognition policy, which is set out in Note 2.10, is central to how the company values the work it has carried out in each financial year.
- These policies require forecasts to be made of the outcomes of Contracts, which require assessments and judgments to be made on changes in scope of work and claims and variations.
- Estimates are also required with respect to the determination of stage of completion and estimation of project completion date:
 - Determination of stage of completion
 - Estimation of project completion date
 - Provisions for foreseeable losses
 - Estimated total revenues and estimated total costs to completion, including claims and variations.
- These are reviewed at each reporting date and adjust to reflect the current best estimates

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



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



3 Property, Plant and Equipment

(in Rs. crore)

	Plant & Machinery	Computers	Office Equipments	Furniture & Fixtures	Vehicles	Total
Gross Carrying Amount (At Cost)						
At 31 March 2020	-	0.04	0.03	0.03	-	0.10
Additions	-	-	0.01	-	-	0.01
Disposals/Adjustments	0.06	0.06	-	-	0.71	0.83
Exchange (Gain) / Loss	-	-	-	-	-	-
At 31 March 2021	0.06	0.10	0.04	0.03	0.71	0.94
At 1 April 2021	0.06	0.10	0.04	0.03	0.71	0.94
Additions	-	-	0.001	-	-	0.001
Disposals/Adjustments	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-
At 31st March 2022	0.12	0.10	0.04	0.03	0.71	0.94
Depreciation and impairment						
At 31 March 2020	-	0.03	0.01	-	-	0.04
Depreciation charge for the year	0.01	0.06	0.002	0.003	0.17	0.25
Impairment	-	-	-	-	-	-
Disposals/Adjustments	0.01	0.01	-	-	0.07	0.09
Exchange (Gain) / Loss	-	-	-	-	-	-
At 31 March 2021	0.02	0.10	0.012	0.003	0.24	0.38
At 1 April 2021	0.02	0.10	0.012	0.003	0.24	0.38
Depreciation charge for the year	0.007	0.01	0.009	0.003	0.08	0.10
Impairment	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-
At 31st March 2022	0.05	0.11	0.021	0.006	0.32	0.48
Net book value						
At 31st March 2022	0.07	(0.01)	0.02	0.02	0.39	0.46
At 31 March 2021	0.04	-	0.03	0.03	0.47	0.57

Notes :- a) Out of the Assets mentioned above, Computers, Vehicles and Plant and Machinery for Rs 0.83 Crores (Gross Block) are in the name of the holding company

Foot Notes:-

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

Description	For the Year ended 31st Mar 2022	For the Year ended 31st Mar 2021
Depreciation on Tangible Assets	0.11	0.25
Impairment Loss	-	-
Total	0.11	0.25



IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



4 Intangible Assets

(in Rs. Crore)

Particulars	(in Rs. Crore)		
	Intangible assets under development	Intangible Asset (Toll Road) (Refer Note 24)	Other Intangibles (Software)
Gross Block			
Opening balance at 1 April 2020	-	726.78	-
Addition during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals / adjustment during the year	-	0.83	-
Closing balance at 31 March 2021	-	725.95	-
Addition during the year	20.69	-	-
Disposals / adjustment during the year	-	-	-
Closing balance at 31 Mar 2022	20.69	725.95	-
Amortisation and Impairment			
Closing balance at 31 March 2020	-	75.90	-
Amortisation during the year	-	41.48	-
Sales / adjustment during the year	-	0.08	-
Closing balance at 31 March 2021	-	117.30	-
Amortisation during the year	-	41.45	-
Sales / adjustment during the year	-	-	-
Closing balance at 31 Mar 2022	-	158.75	-
Net book value			
At 31st March 2022	20.69	567.20	-
At 31 March 2021	-	608.65	-

Intangible assets under development

Rs in Crores

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022					
Projects in progress	20.69	-	-	-	20.69
Projects temporarily suspended	-	-	-	-	-
	20.69	-	-	-	20.69
As at March 31, 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-




IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



5 Non-Current Assets - Other Financial Assets

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
a) Considered Good : Unsecured		
Security Deposits		
- Government Departments	-	-
- Others	0.14	0.14
Total - Other Financial Assets	0.14	0.14
b) Considered Doubtful		
Total - Other Financial Assets - Doubtful	-	-
Grand Total - Other Financial Assets	0.14	0.14



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022

6 Deferred Tax Assets and Income Tax
Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) The major components of income tax expense for the year ended 31st Mar 2022 and 31st Mar 2021 are:

S.No.	Particulars	For the Year ended	
		31 March 2022	31 March 2021
1	Profit and Loss Section		
	Current income tax:		
	Current income tax charge	-	-
	Adjustment in respect of current tax of previous year	-	-
	Deferred tax:		
	Relating to origination and reversal of temporary differences	-	-
	Income tax expense reported in the Profit and Loss section	-	-
2	Other Comprehensive Income (OCI) Section		
	Income tax related to items recognised in OCI during the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	-	-
	Net loss/(gain) on foreign operation translation	-	-
	Income tax expense reported in the OCI section	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st Mar 2022 and 31st Mar 2021:

S.No.	Particulars	For the Year ended	
		31 March 2022	31 March 2021
1	Accounting profit before income tax	(12.06)	(14.07)
2	Corporate tax rate as per Income tax Act, 1961	25.168%	25.168%
3	Tax on Accounting profit (3) = (1) * (2)	-	-
4	Effect of Tax Adjustments:		
(i)	Adjustments in respect of current income tax of previous years	-	-
(ii)	Utilisation of previously unrecognised tax losses	-	-
(iii)	Impact of Rate Difference	-	-
(iv)	Tax on Income exempt from tax	-	-
(v)	Non-deductible expenses for tax purposes:		
	-Other country additional tax	-	-
	-Other non-deductible expenses	-	-
(vi)	Tax effect of various other items	-	-
5	Income tax expense reported in the Statement of Profit and Loss	-	-
6	Effective Tax Rate	-	-

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

S.No.	Particulars	Balance sheet as at		Statement of profit or loss for the year ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation **	(84.80)	(75.73)	9.07	14.81
2	Provisions	8.04	2.64	(5.40)	(2.64)
3	Others**	76.76	73.09	(3.67)	(12.17)
4	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
5	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
6	Fair valuation of financial instruments	-	-	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
	Net deferred tax assets/(liabilities)	0.00	(0.00)	-	0.00

** Deferred Tax Assets arising as account of Business losses and provisions has been restricted to the Deferred Tax Liability arising from PPE and Intangible Assets as a matter of conservatism. Deferred Tax asset of Rs 21 Crores has not been recognised as a matter of prudence, in line with Accounting policy 2.17

(d) Reflected in the balance sheet as follows:

S.No.	Particulars	(Rs. in crore)	
		31 March 2022	31 March 2021
1	Deferred tax assets	84.80	75.73
2	Deferred tax liability	(84.80)	(75.73)
	Deferred Tax Asset/(Liabilities) (Net)	-	-

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

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

As at 31st March 2022 (Rs. in crore)

S.No.	Particulars	Net balance As at 1st April 2021	Recognised in statement of profit and loss	Recognised in OCI	Net balance As at 31st Mar, 2022
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(75.73)	9.07	-	(84.80)
2	Provisions	2.64	(3.40)	-	8.04
3	Others	73.09	(3.67)	-	76.76
4	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
5	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
6	Fair valuation of financial instruments	-	-	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
	Net deferred tax assets/(liabilities)	-	-	-	0.00

As at 31 March 2021

S.No.	Particulars	Net balance As at 1st April 2020	Recognised in statement of profit and loss	Recognised in OCI	Net balance As at 31st March 2021
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(60.92)	14.81	-	(75.73)
2	Provisions	-	(2.64)	-	2.64
3	Others	60.92	(12.17)	-	73.09
4	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
5	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
6	Fair valuation of financial instruments	-	-	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
	Net deferred tax assets/(liabilities)	-	-	-	-



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022

7 Other Non-Current Assets

Particulars	(Rs. in crore)	
	As at 31st March, 2022	As at 31st March 2021
a) Capital Advances		
Capital Advance for Creation of Intangible Asset (Stage II of Toll Road)	13.37	-
Total - Capital Advances	13.37	-
Considered Good : Unsecured	13.37	-
Total	13.37	-




IRCON SHIVPURI GUNA TOLLWAY LIMITED

Notes to Financial Statements for the Year ended 31st March 2022



8.1 Current Financial Assets - Trade Receivables

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Unsecured considered good (Refer Note 34C)	0.63	0.46
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Impairment Allowance (allowance for bad and doubtful debts)	-	-
Unsecured, considered good	0.11	
Trade Receivables which have significant increase in credit Risk		
Trade Receivables - credit impaired		
Total	0.52	0.46

Trade Receivable Ageing Schedule

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment					Total (Rs. in Crore)
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good			0.63	0.06	-0.06			0.63
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iii) Disputed Trade Receivables considered good								-
(iv) Disputed Trade Receivables - which have significant increase in credit risk								-
(v) Disputed Trade Receivables – credit impaired								-
Total			0.63	0.06	-0.06	-	-	0.63
Less :Impairment Allowances (Refer note 14)				(0.06)	0.06			-
Net Trade Receivables			0.63	-	-	-	-	0.63

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2021 from the due date of payment					Total (Rs. in Crore)
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good			0.46					0.46
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



8.2 Current Financial Assets - Cash and Cash equivalents

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Cash on hand	-	-
Balances with banks:*		
- On current accounts	0.06	0.07
- Flexi Accounts	1.53	6.35
- Deposits with original maturity of less than 3 months	-	-
	<u>1.59</u>	<u>6.42</u>

* Out of the above balance of Rs 1.59 Crores (previous year Rs 6.42 crores), Rs 1.532 crores (Previous year Rs 6.353 crores) pertain to ESCROW A/C which are ear mark fund as per concession agreement entered with NHAI



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IRCON SHIVPURI GUNA TOLLWAY LIMITED

Notes to Financial Statements for the Year ended 31st March 2022

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8.3 Current Financial Assets - Loans

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
A. Unsecured, considered good		
Staff Loans & Advances	-	-
Grand Total	-	-

8.4 Current Assets - Other Financial Assets

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
A. Unsecured, considered good		
Interest Accrued on :		
- Deposits with Banks/Flexi Deposit	-	0.01
Total - Other Financial Assets - Good	-	0.01
Grand Total - Other Financial Others	-	0.01

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

Details of amount due from Directors:

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total		



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



9 Current Assets - Current Tax Assets (Net)

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	0.10	0.04
Current tax Assets (Net)	0.10	0.04



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



10 Other Current Assets

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Considered Good : Unsecured		
a) Advances Other than Capital Advances		
Advances to Contractors against material and machinery	-	-
Advances to Contractors- Related Party- Holding Company	-	-
Advance Recoverable from:		
- Sales Tax (including TDS)	-	-
Less : Deposited under Protest	-	-
- Value Added Tax	-	-
- Goods & Services Tax	0.21	-
- Service Tax input credit	-	-
Security Deposits		
Interest Accrued on:		
Deposits & Advances with:		
- Contractors, Suppliers & Others	-	-
Assets held for disposal	-	-
Prepaid Expenses	0.14	-
Fair valuation adjustment	-	-
Lease Equalisation	-	-
Total - Others	0.35	-
c) Considered Doubtful		
Total - Considered Doubtful	-	-
Grand Total	0.35	-



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



11 Equity Share capital

(in Rs. crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Authorised share capital		
15,00,00,000 Equity shares of Rs.10 each	150.00	150.00
	150.00	150.00
Issued/Subscribed and Paid up Capital		
15,00,00,000 Equity shares of Rs 10 each-fully paid	150.00	150.00
	150.00	150.00

Promoter's shareholding

Particulars	Shares held by Promoter at the end of the period / year				% change during the period / year
	S.No	Promoter Name	No. of shares	% of total shares	
As at March 31, 2022	1	Ircon International Limited- Holding Company (IRCON)	15,00,00,000	100.00%	NA
	2				

Particulars	Shares held by Promoter at the end of the period / year				% change during the period / year
	S.No	Promoter Name	No. of shares	% of total shares	
As at March 31, 2021	1	Ircon International Limited- Holding Company (IRCON)	15,00,00,000	100.00%	NA
	2				

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st Mar 2022		As at 31st Mar 2021		As at 31st March 2020	
	No. of Share	% holding in the class	No. of Share	% holding in the class	No. of Share	% holding in the class
Ircon International Limited- Holding Company (15,00,00,000	100.00%	15,00,00,000	100.00%	15,00,00,000	100.00%

Details of shareholders holding in the company

Name of the shareholder	As at 31st Mar 2022		As at 31st Mar 2021	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Ircon International Limited- Holding Company (IRCON)	15,00,00,000	100.00	15,00,00,000	100.00
Total	15,00,00,000	100.00	15,00,00,000	100.00

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

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
	No of shares	Rs in crore	No of shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	15,00,00,000	150.00	15,00,00,000	150.00
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	15,00,00,000	150.00	15,00,00,000	150.00



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IRCON SHIVPURI GUNA TOLLWAY LIMITED

Notes to Financial Statements for the Year ended 31st March 2022



12 Other Equity

(in Rs. Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<u>Other Reserves</u>		
Retained Earnings	(88.30)	(76.25)
Total	(88.30)	(76.25)
<u>Movement as per below:</u>		
Retained Earnings		
Opening Balance	(76.25)	(62.19)
Add: Transfer from surplus in statement of profit and loss	(12.05)	(14.06)
Closing Balance	(88.30)	(76.25)

Nature and Purpose of Other Reserves:**Retained Earnings**

Retained Earnings represents the undistributed profits of the Company.




IRCON SHIVPURI GUNA TOLLWAY LIMITED

Notes to Financial Statements for the Year ended 31st March 2022



13 Non-Current Liabilities - Financial Liabilities

13.1 Non-Current Financial Liabilities - Borrowings

(in Rs. Crore)

(in Rs. Crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Secured:		
(a) Loan from Holding Company(Ircon International Limited) (Refer note below)	-	490.07
(b) Loan from State Bank of India (Refer note below and note 15.1)	493.06	-
Total	493.06	490.07

Notes :

(a) Terms & Conditions

i) A Term Loan of Rs. 722.11 crore had 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. As on 1st April 2021 the Loan amount outstanding was for Rs 526 Crores. This entire Loan amount was repaid in the current financial year, by internal accruals generated through Toll Operations and by availing a fresh Loan from State Bank of India from March 2022 by Loan agreement dated 17th February 2022. Out of the Fresh Loan availed for Rs 501 Crores , Rs 2.66 Crores was repaid during the year and balance of Rs 499.86 crores was outstanding as on 31st March 2022. Out of the this amount of Rs 499.86 crores, Rs 6.80 crores has been shown as current maturities of the Loan under Borrowings - Current(Refer Note 15.1)

ii) Interest Terms

The Applicable Interest rate is base rate of SBI 3 month MCLR plus spread of 0.25% w.e.f 28.03.2022.

iii) Terms of Repayment

Term Loan shall be repaid in 11.5 years upto 30.09.2033, in quarterly instalments as per the schedule mentioned in the Loan agreement.

As per clause 12 of the Loan agreement, the securities for the Loan extended are mentioned in brief as under :

(a) first charge on all the Borrower's tangible movable assets pertaining to the Project;

(b) a first charge over all accounts of the Borrower pertaining to the Project including the Escrow Accounts and the sub-accounts (or any account in substitution thereof) or any other bank account that may be opened in accordance with this Agreement ;

(c) a first charge on all intangibles assets pertaining to the Project including but not limited to goodwill, rights, undertaking and uncalled capital present and future ;

(d) Assignment/Charge by way of Security in the following, both present and future:

(i) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents;

(ii) the right, title and interest of the Borrower in, to and under all the Clearances;

(iii) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Borrower pursuant to the Project Documents;

(iv) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower under all Insurance Contracts pertaining to the Project;

(d) An unconditional corporate guarantee by the promoter in favour of the Security trustee and an irrevocable and unconditional undertaking from the Promoter , to cover any shortfall in the loan and other conditions as mentioned in the Loan agreement dated 17.02.2022

(e) The Company is not at default of either repayment of the loan or interest payment on the loans as on the Balance Sheet Date.

13.2 Other Financial Liability

(in Rs. crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Deposits and Retention money	0.03	-
Total	0.03	-



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IRCON SHIVPURI GUNA TOLLWAY LIMITED

Notes to Financial Statements for the Year ended 31st March 2022



14 Provisions	Particulars	Foot Note	(in Rs. crore)	
			As at 31st Mar 2022	As at 31st Mar 2021
	Provision for Employee Benefits		-	-
	Provision for Doubtful Assets	14.1	0.11	-
	Provision for scheduled major maintenance of Toll Road	14.2	23.14	10.47
			<u>23.25</u>	<u>10.47</u>
	Less: Impairment Provision for Doubtful Assets (Presented Separately)	8.1	0.11	-
	Total		<u>23.14</u>	<u>10.47</u>
	Current		-	-
	Non Current		23.14	10.47

The disclosure of provisions movement as required under the requirements of Ind AS 37 is as follows :

14.1 Provision for Doubtful Assets :	Particulars	(in Rs. crore)	
		Doubtful Debts	Total
	As at 31-March-2021	-	-
	Current	-	-
	Non Current	-	-
	Provision made during the year	0.11	0.11
	Less: Utilization during the year	-	-
	Less: Write Back during the year (Exchange Gain) / Loss	-	-
	As at 31-March-2022	<u>0.11</u>	<u>0.11</u>
	Current	0.11	0.11
	Non Current	-	-

14.2 Other Provisions :	Particulars	(in Rs. crore)				
		Demobilisation	Corporate Social Responsibility	Maintenance	Other Expenses	Total
	As at 01-April-2020	-	-	-	-	-
	Non Current	-	-	-	-	-
	Provision made during the year	-	-	10.47	-	10.47
	Less: Utilization during the year	-	-	-	-	-
	Less: Write Back during the year	-	-	-	-	-
	As at 01-April-2021	-	-	10.47	-	10.47
	Non Current	-	-	-	-	-
	Provision made during the year for scheduled major maintenance ^{^^}	-	-	12.23	-	12.23
	Less: Utilization during the year	-	-	-	-	-
	Less: Write Back during the year	-	-	-	-	-
	Unwinding of discount	-	-	0.44	-	0.44
	As at 31st Mar 2022	-	-	<u>23.14</u>	-	<u>23.14</u>
	Non Current	-	-	23.14	-	23.14

^{^^} Provision for major maintenance has been provided in line with Maintenance Manual for operating of Toll Road.







IRCON SHIVPURI GUNA TOLLWAY LIMITED

Notes to Financial Statements for the Year ended 31st March 2022



15 Current Liabilities - Financial Liabilities

15.1 Current Financial Liabilities - Borrowings

Particulars	(in Rs. Crore)	(in Rs. Crore)
	As at 31st Mar 2022	As at 31st Mar 2021
Current Maturity of Long term Borrowings (Refer note no. 13.1)	6.80	35.93
Total	6.80	35.93

15.2 Current Financial Liabilities - Trade Payables

Particulars	(in Rs. Crore)	
	As at 31st Mar 2022	As at 31st Mar 2021
Micro, Small & Medium Enterprises	-	-
Other than Micro, Small & Medium Enterprises		
(a) Contractor & Suppliers	0.01	0.29
(b) Related Parties	6.40	0.17
Total	6.41	0.46

Notes:

- a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 36.
b) Terms and Conditions and other balances with related parties are disclosed in Note 24.

Trade payables Ageing Schedule

Particulars	Unbilled	Not due	Outstanding for the year ended March 31, 2022 from the due date of payment				Total
			Less than 1 year	1-2 years	3 years	More than 3 years	
			Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises			6.41				6.41
Disputed dues of micro enterprises and small enterprises							-
Disputed dues of creditors other than micro enterprises and small enterprises							-

Particulars	Unbilled	Not due	Outstanding for the year ended March 31, 2021 from the due date of payment				Total
			Less than 1 year	1-2 years	3 years	More than 3 years	
			Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises			0.46				0.46
Disputed dues of micro enterprises and small enterprises							-
Disputed dues of creditors other than micro enterprises and small enterprises							-



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022

15.3 Current Liabilities - Other Financial Liabilities

(in Rs. crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Deposits, Retention money and Money Withheld	1.53	0.65
Deposits, Retention money and Money Withheld- Related Party - Holding Company	0.04	-
Amount Payable to Client	1.76	1.74
Other Payables (including Staff Payable)	8.53	2.74
Total	11.86	5.13

16 Other Current Liabilities

(in Rs. crore)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Statutory dues	1.42	0.48
Total	1.42	0.48

Notes:

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




IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



17 Revenue from operations

(in Rs. crore)

	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Construction Contract revenue	20.69	-
Revenue from Toll Operations (Refer Note 25 & 34)	120.75	110.43
Revenue from Construction service (Change of Scope and other works)	2.07	-
Other Revenue		
- Amortisation of financial instruments	-	-
- Other Operating Revenue	0.35	0.35
Total	143.86	110.78

18 Other Income

	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Interest Income :		
Interest on refund of income-tax	-	0.06
Interest on other advances/Security Deposits	-	-
Bank Interest Gross	0.17	0.28
	<u>0.17</u>	<u>0.28</u>
Others :		
Miscellaneous Income	0.04	0.04
Total	0.21	0.38



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IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



19 Project and Other Expenses

(In Rs. crore)

Particulars	Project Expenses		Other Expenses	
	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Work Expenses (Construction of Stage II)	20.69	-	-	-
Work Expenses (Change of Scope Work)	1.79	-	-	-
Work Expenses (Other Works - Holding Company)	0.28	-	-	-
Concession fees to NHAI	22.86	20.72	-	-
Toll operation and maintenance expenses	10.52	7.20	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.	0.66	0.33	-	-
Rent - Non-residential	0.03	0.03	-	-
Rates and Taxes	-	-	-	-
Vehicle Operation and Maintenance	-	-	-	-
Repairs and Maintenance	-	-	-	-
- Office and Others	0.05	0.03	-	-
Power, Electricity and Water charges	0.70	0.71	-	-
Insurance	0.92	0.34	-	-
Travelling & conveyance	0.02	-	-	-
Printing & stationery	0.01	-	-	-
Legal & Professional charges	0.17	0.10	0.008	0.01
Auditors remuneration (Refer Note Below)	-	-	0.028	0.02
Advertisement & publicity	-	-	0.02	0.05
Bank Charges and Other financial charges	-	-	0.002	0.07
Corporate social responsibility (Refer Note 38)	-	-	-	-
Miscellaneous expenses	0.01	0.18	-	-
Provisions (Addition - Write Back) (Refer Note 14)- For Major repair and maintenance and doubtful debt (Note 8.1)	12.34	10.47	-	-
Total	71.05	40.11	0.06	0.15

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

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
(a) Audit Fee - current year	0.018	0.020
(b) Tax Audit Fees - current year	0.005	0.005
(c) Fee for quarterly limited review	0.01	-
(c) Certification Fees	-	-
(d) Travelling & out of pocket expenses:	-	-
- Travelling Expenses	-	-
- Out of Pocket Expenses	-	-
Total	0.03	0.03

IRCON SHIVPURI GUNA TOLLWAY LIMITED
Notes to Financial Statements for the Year ended 31st March 2022



20 Employee Remuneration and Benefits (Refer Note 28)

(in Rs. crore) :

Particulars	Foot Note	For the year ended 31st Mar 2022			For the year ended 31st Mar 2021		
		Operating	Other (Administrative)	Total	Operating	Other (Administrative)	Total
Salaries, wages and bonus		1.48	0.14	1.62	1.32	0.12	1.44
Contribution to provident and other funds		0.20	-	0.20	0.18	-	0.18
Retirement Benefits		0.12	-	0.12	0.10	-	0.10
Total		1.80	0.14	1.94	1.60	0.12	1.72

21 Finance Cost

(in Rs. crore)

Particulars	Foot Note	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Interest Expense		-	38.09
Other Borrowing Cost - Bank Guarantee & Other Charges		2.98	-
Unwinding of discount on provisions		0.44	-
Total		41.51	41.51

22 Depreciation, amortization

(in Rs. crore)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Property, Plant and equipment	0.11	0.25
Intangible Assets	41.45	41.48
Total	41.56	41.73



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Note:-23

A. Fair Value Measurements

(i) Category wise classification of Financial Instruments

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

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

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

Level 3: Unobservable inputs for the asset or liability

a) The carrying values and fair values of financial instruments by categories as at 31st mar 2022 are as follows:

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
(ii) Loans	-	-	-	-
(iii) Other Financial Assets	0.14	-	-	-
Total	0.14	-	-	-

(in Rs. crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	499.86	-	-	-
(ii) Other Financial Liabilities	11.89	-	-	-
Total	511.75	-	-	-

(in Rs. crore)

b) The carrying values and fair values of financial instruments by categories as at 31st Mar 2021 are as follows:

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
(ii) Loans	0.00	-	-	-
(iii) Other Financial Assets	0.15	-	-	-
Total	0.15	-	-	-

(in Rs. crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	526.00	-	-	-
(ii) Other Financial Liabilities	5.13	-	-	-
Total	531.13	-	-	-

(in Rs. crore)

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

The fair values of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. Methods and assumptions used to estimate the fair values are consistent with those used for the financial year 2020-21. The following methods and assumptions were used to estimate the fair values

i) The fair value of investments in mutual fund units is based on the Net Asset Value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

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

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

* During the financial year 2021-22 and 2020-21, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

B. Financial Risk Management

The Company's principal financial liabilities comprise 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's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

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

(i) Foreign Currency Risk

The company operates domestically and is exposed to insignificant foreign currency risk (since receipts & payments are received in Indian Rupees).

(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 fix for the period of financial instruments. The Company has a floating interest rate bearing loan the interest sensitivity @ 50 basis points of the same is given below.

Particulars	31-Mar-22		31-Mar-21	
	Pre Tax	Post Tax	Pre Tax	Post Tax
Rs in Crores				
Interest rates- Increase by 50 basis points (50 bps)	0.00	0.00	2.63	1.97
Interest rates- Decrease by 50 basis points (50 bps)	0.00	0.00	-2.63	-1.97

b) Credit Risk

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



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Trade and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

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

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Revenue from the Top three revenue streams	143.88	110.79
	143.88	110.79

Exposure to Credit Risk

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)				
Non Current Investments	-	-	-	-
Non Current Loans	-	-	-	-
Other Non Current Financial Assets	0.14	0.14		
Current Investments	-	-	-	-
Cash and Cash Equivalents	1.59	6.42		
Other Bank Balances	-	-	-	-
Current Loans	-	-	0.00	0.01
Other Current Financial Assets	0.004	0.01		
Financial Assets for which allowance is measured using Simplified Approach				
Trade Receivables	0.64	0.46		
Contract Assets	-	-	-	-

Summary of change in loss allowances measured using Simplified approach

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
Opening Allowances	-	-	-	-
Provided during the year	0.11	-	-	-
Utilization during the year	-	-	-	-
Amount written-off	-	-	-	-
Closing Allowances	0.11	-	-	-

During the year, the Company has recognised loss allowance of Rs.NIL (31 March, 2021 : Rs. Nil).

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

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
Opening Allowances	-	-	-	-
Provided during the year	-	-	-	-
Utilization during the year	-	-	-	-
Amount written-off	-	-	-	-
(Exchange Gain) / Loss	-	-	-	-
Closing Allowances	-	-	-	-

No significant changes in estimation techniques or assumptions were made during the reporting period. During the year, the Company has recognised loss allowance of Rs.NIL.

c) Liquidity risk

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

The senior Management of the Company oversees its investment strategy and achieve its investment objectives. The Company typically invests in Bank Flexi accounts and Fixed deposits with Government Banks. The primary objective of minimising the potential risk of principal loss.

The table below provides details regarding the significant financial liabilities as at 31st Mar 2022 and 31st Mar 2021

Particulars	As on 31st Mar 2022			(in Rs. crore)
	Less than 1 Year	1-2 years	2 Years and above	
	Borrowings	6.80	4.28	488.78
Trade payables	6.42	-	-	
Other financial liabilities	11.88	-	-	
Particulars	As on 31st Mar 2021			(Rs. in crore)
	Less than 1 Year	1-2 years	2 Years and above	
	Borrowings	35.93	60.36	429.71
Trade payables	0.46	-	-	
Other financial liabilities	5.14	-	-	

d) Excessive risk concentration

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

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

C. Capital Management

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

Company has taken a term loan Rs 579.59 crore (Sanction Rs.722.11 crore) upto the FY 2021-22 (Outstanding as on 31.3.2022 Rs NIL) from its holding company to finance its project. The loan was repaid and a fresh loan was taken from State Bank of India to Rs 502.51 crores in March 2022.

Debt Equity Ratio :-

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
Borrowings (Note No. 13.1 & 15.1)	499.86	526.00		
Long Term Debt	499.86	526.00		
Equity (Note No. 11)	150.00	150.00		
Other Equity (Note No. 12)	(88.30)	(76.25)		
Total Equity	61.70	73.75		
Debt Equity Ratio	8.10	7.13		



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Ironcon Shivpuri Guns Tollway Limited
Notes to Financial Statements for the Year ended 31st March 2022

Note- 24 Details of Related Party Transactions during the year

(Amt in INR)

Name of Related Party	Particular	Transaction (Rs.)		Outstanding Amount	
		For the year ended 31st Mar 2022	For the year ended 31st Mar 2021	As at 31st Mar 2022	As at 31st Mar 2021
Ironcon International Limited	Investment in Equity	-	-	1,50,00,00,000	1,50,00,00,000
	Loans	(5,26,00,00,000)	38,15,40,000.00	-	5,26,00,00,000
	Interest Payable on Loan	-	-	-	-
	Recoupable advance given	13,36,66,183	-	13,36,66,183	-
	Money withheld	-	-	4,34,334	-
	Other Payables	-	-	6,40,17,813	17,35,193
	Interest Payable on Loan	-	-	-	-
	Rendering of services				
	Works Contract * Excl GST as expense	28,47,770	-	-	-
	Works Contract (COS) Excl GST as expense	1,78,89,426	-	-	-
	Works Contract * Excl GST capitalised	17,81,01,818	-	-	-
	Rent Excluding GST as expense	2,49,038	2,31,672	-	-
	Interest on Loan as an expense	37,71,36,988	41,50,69,035	-	-



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Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended 31st March 2022



Note:- 24 Related Party Transactions

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

a) List of Related Parties

(i) Holding Company

Ircon International Limited

(ii) Key Management Personnel (KMP)

Board of Directors

Name	Designation
Shri Yogesh Kumar Mishra	Chairman w.e.f 13.05.2021 upto 01.10.2021
Shri Shyam Lal Gupta	Chairman upto 13.05.2021
Shri A K Goyal	Chairman w.e.f 01.10.2021
Shri D K Sharma	Director upto 02.08.2021
Shri A K Goyal	Director upto 01.10.2021
Shri Parag Verma	Director w.e.f 29.12.2021
Smt Ritu Arora	Director w.e.f 13.05.2021
Shri Masood Ahmad Najar	Director w.e.f 02.08.2021
Shri Mugunthan Boju Gowda	Director w.e.f 01.04.2022
Shri Surajit Dutta	Director upto 31.03.2022

Other Members identified as Key Management Personnel (KMP)

Name	Designation
Shri Masood Ahmad Najar	Chief Executive Officer upto 02.08.2021
Shri Atul Kumar	Chief Executive Officer w.e.f 03.08.2021
Shri Sanjeev Kumar Gupta	Chief Financial Officer upto 01.07.2021
Shri Vinay Kumar Ahuja	Chief Financial Officer w.e.f 01.07.2021 till 31.03.2022
Smt Rachna Tomar	Chief Financial Officer w.e.f 01.04.2022

Company Secretary

Name	Designation
Ms Iti Matta	Company Secretary



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

(Rs. in crore)

S.No.	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
1	Short term employee benefits	0.95	0.65
2	Post employment benefits	0.14	0.10
3	Other long-term employee benefits	0.02	0.02
4	Termination benefits		
5	Sitting fees		
	Total	1.11	0.76

Transactions with related parties are as follows:

(Rs. in crore)

S.No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2022	For the year ended 31st March 2021
1	Sale of goods and services				
1.1	Contract Revenue	Ircon International Limited	Holding Company	-	-
1.2	Rent Income	Ircon International Limited	Holding Company	-	-
2	Purchase of goods and services	Ircon International Limited Work Expenses	Holding Company	19.88	-
3	Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)	Ircon International Limited	Holding Company	0.02	0.02
4	Interest Expense				
4.1	Interest Expense on Loan	Ircon International Limited	Holding Company	37.71	41.51
5	Repayment of Loans	Ircon International Limited	Holding Company	526.00	(38.15)
6	Advances/ Loans Received	Ircon International Limited	Holding Company	-	-
7	Any Other transaction not covered above	Ircon International Limited Recoupable Advance	Holding Company	13.37	-



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

(Rs. in crore)

S.No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2022	As at 31st March, 2021
1	Equity Received (Liability)	Ircon International Limited	Holding Company	150.00	150.00
4	Amount recoverable other than loans				
4.1	Advance and Claims Recoverable	Ircon International Limited	Holding Company	13.37	-
2	Borrowings	Ircon International Limited	Holding Company	-	526.00
3	Amount Payable towards				
3.1	Trade Payables	Ircon International Limited	Holding Company	6.37	-
3.2	Other Payables	Ircon International Limited	Holding Company	0.03	0.17
3.3	Money withheld	Ircon International Limited	Holding Company	0.04	-

d) Terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) Outstanding balances of related parties at the year-end except borrowings are unsecured and settlement occurs through banking transactions. These balances other than loans and interest bearing advances are interest free.
- (iii) Outstanding balances of related parties at the year-end except borrowings are unsecured and settlement occurs through banking transactions. These balances other than loans and interest bearing advances are interest free.
- (iv) The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- (v) IrconSGTL had five Part-time Directors during the financial year 2021-22, 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.




Note:-25 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 725.90 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), which was completed in 2018-19. The IIInd Phase of the Toll Road has also commenced construction and upto 31-03-2022 an amount of Rs 20.69 Crores has been shown under Intangible Asset under development. The Phase II is expected to be completed by 22-05-2022. *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.120.75 Crores (last year Rs 110.44 crores) from operation of toll road for the Year ended 31.03.2022.

Concession fee and its premium is seen as being paid for earning the revenue and is treated as a charge against revenue. During the period concession fees of Rs 22.86 Crores (Last year Rs 20.72 Crores) to NHAI has been paid as per terms of the concession agreement. Usage fee collected over and above the traffic cap as per the concession agreement is termed as excess fee. This SCA is due to be renegotiated as per clause number 28 and 29 of the concessionaire agreement.

Construction Contracts

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

Particulars	Amount in Rs Crores	
	As at 31st Mar 2022	As at 31st Mar 2021
Revenue recognized from construction services	20.69	-
Revenue recognised from toll-Usage fee	120.75	110.43
Aggregate amount of cost incurred and recognized in Profit/Loss	20.69	-
Gross amount due from Client for Contract Works	-	-



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Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended 31st March 2022

- Note:- 26 **Disclosure as required by Ind AS 1 "Presentation of Financial Statements"**
There has been no material change in the significant accounting policies in the current financial year in comparison with last year, which would have any impact on the presentation of the financial statements.
- Note:- 27 **Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"**
During the year the Company has changed the accounting policy related to "Dividend". There is no impact on the profitability of the Company, and the revised accounting policy is as below and amendments are highlighted in Bold :

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




Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended 31st March 2022



Note:- 28 Employee Benefits

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

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

Note:- 29 Foreign exchange recognised in the Statement of Profit and Loss:
NIL



Note:- 30 Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

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

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

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

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit attributable to Equity holders (Rs. in crore)	(i)	(12.05)	(14.06)
Weighted average number of equity shares for Basic and Diluted EPS	(ii)	15.00	15.00
Earnings per share (Basic)		(0.80)	(0.94)
Earnings per share (Diluted)		(0.80)	(0.94)
Face value per share		10.00	10.00

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

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit for the year as per Statement of Profit and Loss	-12.05	-14.06
Profit attributable to Equity holders of the company used for computing EPS:	(12.05)	(14.06)

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

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening balance of issued equity shares	15	15
Equity shares issued during the year	0	0
Weighted average number of equity shares for computing Basic EPS	15	15
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	0	0
Weighted average number of equity shares for computing Diluted EPS	15	15

Note:- 31 Impairment of Assets

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

Note:- 32 Provisions, Contingencies and Commitments

(i) Provisions

The nature of provisions provided and movement in provisions during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are disclosed in Note-14

(ii) Contingent Liabilities

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

Particulars	Foot Note	As at 31st March 2020	Addition during the year	Claims settled during the year			As at 31st March 2021
				Out of the opening balance	Out of addition during the year	Total Claims Settled during the year	
a) Claims against the Company not acknowledged as debts :		-	-	-	-	-	-
b) Guarantees (excluding financial guarantees) issued by the company on behalf of		-	-	-	-	-	-
c) Other money for which company is contingent liable		-	-	-	-	-	-

(iii) Commitments

Particulars	Foot Note	As at 31st Mar 2022	As at 31st Mar 2021
a) Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	37.18	112.12
b) Other Commitments			
(i) Concessionaire fees payable to NHAI till end of Concessionaire period of the Toll Road (refer Note 24 SC.A)		483.02	505.88
		520.20	618.00

Foot Note:

S.No	Capital Commitments	As at 31st Mar 2022	As at 31st Mar 2021
1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipment		
2	Estimated amount of contracts remaining to be executed on Investment Property		
3	Estimated amount of contracts remaining to be executed on Intangible Assets under development	37.18	112.12
	Total	37.18	112.12




Ircon Shivpuri Guna Tollway Limited



Notes to Financial Statements for the year ended 31st March 2022

Note:- 33 Segment Reporting

The Company is operating in only one operating Segment and hence disclosure as per Ind As 108 " Operating Segment" is not applicable



Note:- 34 Revenue from contract with customers

A. Disaggregation of Revenue

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

(Rs. in crore)

Type of Product or Services	For the year ended 31st March 2022						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic		Total	Input Method	Output Method		
Railways			-				-
Highway	143.86		143.86	143.86	-	0.21	144.07
Electrical			-				-
Building			-				-
Others			-				-
Total	143.86	-	143.86	143.86	-	0.21	144.07

Out of the total revenue recognised under Ind AS 115 during the year, Rs 22.77 Crore is recognised over a period of time and Rs. 121.31 crore recognised point in time.

(Rs. in crore)

Type of Product or Services	For the year ended 31st March 2021						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic		Total	Input Method	Output Method		
Railways			-				-
Highway	110.78		110.78	110.78		0.38	111.16
Electrical			-				-
Building			-				-
Others			-				-
Total	110.78	-	110.78	110.78	-	0.38	111.16

Out of the total revenue recognised under Ind AS 115 during the year, Rs NIL is recognised over a period of time and Rs. 110.78 crore recognised point in time.

- B. Revenue from Monthly passes issued for Toll to Vehicles are issued as per requirement of the customers, the entire amount of which is booked as revenue on the date of such transaction. Such monthly passes are non refundable in nature.

C. Contract balances

(Rs. in crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables (Note 8.1)	0.52	0.46
Contract Assets	-	-
Contract Liabilities	-	-

- (i) Trade receivables are non-interest bearing and the customer profile includes National Highway Authority of India (NHAI) and Toll Collection Agency. The Company's average project execution cycle is around 24 to 36 months. General payment terms include payments for utility shifting reimbursements and change in scope of work mutually agreed upon if any, with a credit period ranging from 60 to 180 days or when the work is certified. Payments also includes Toll receipts for use of Toll collected by the Toll Collection Agency for the Company. Project executed by the Company is under BOT (built operate transfer) model and the payments are on account of Toll Collection and additional works by NHAI, if any. During the year an amount of Rs 0.12 Crores has been provided for as provision for doubtful debt, which relates to the rental of M/S Synergy Corp. on account of rent during the lockdown period.
- (ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the year

(Rs. in crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract asset at the beginning of the year	-	-
Contract asset at the end of the year	-	-
Net increase/decrease	-	-

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

(Rs. in crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract liabilities at the beginning of the year	-	-
Contract liabilities at the end of the year	-	-
Net increase/decrease	-	-

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

(Rs. in crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amount included in contract liabilities at the beginning of the year	-	-
Performance obligation satisfied in previous years	-	-

E. Performance obligation

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs. in crore)

	As at 31st March, 2022	As at 31st March, 2021
Within one year	-	-
More than one year to 2 years	-	-
More than 2 years	-	-
Total	-	-



Signature and initials of the authorized signatory.

Note:- 35 Leases

a) Company as a Lessee

The Company as a lessee has entered into two lease contracts, for office space and guest house. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. These leases are in nature of short term leases or low value leases and are operating leases.

Right of Use Assets

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

Lease Liabilities

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

(Rs. in crore)	
As at 31st March, 2022	
Balance at April 1, 2019	0.00
Addition	-
Accredition of interest	-
Payments	-
Balance at March 31, 2020	0.00
Current	-
Non-current	-

Amounts recognised in Statement of Profit and Loss

(Rs. in crore)		
	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation expense of right-of-use assets	-	-
Interest expense on lease liabilities	-	-
Expense relating to short-term and low value leases (Refer Note 18)	0.03	0.03
	<u>0.03</u>	<u>0.03</u>

b) Company as a Lessor

The Company has given a demarcated area adjacent to the Toll Road, within the terms of the Service Concession Arrangement with NHAI, on Lease for a Petrol Pump to be operated by Hindustan Petroleum Company Limited (HPCL) and Lease and operations of Rest Area to Synergy Engineers Group Private Limited. An amount of Rs 0.17 Crores (Rs 0.16 Crores) had accrued from HPCL and Rs 0.18 Crores (Rs 0.16 Crores) from Synergy as Lease rentals.

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

	(Rs. in crore)	
	As at 31-Mar-22	As at 31-Mar-21
Within one year	0.38	0.35
After one year but not more than five years	1.08	1.24
More than five years	2.40	2.62
	<u>3.86</u>	<u>4.21</u>



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Note:- 36 Information in respect of dues to Micro and Small Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

(Rs. in crore)			
S.No.	Particulars	As at 31st Mar 2022	As at 31st Mar 2021
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
1	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-



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Note-37

ICon Shivpuri Guna Tollway Limited

Additional regulatory information

i Disclosure of ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for change more than 25%
Current ratio	Current Assets	Current Liabilities	0.10	0.17	-41.43%	The reason for decrease in the ratio is on account of lower cash and cash equivalent on Balance sheet date, however the ratios draws comfort due lower current debt repayments.
Debt-equity ratio	Total Debt	Shareholder's Equity	8.10	7.13	13.58%	NA
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.86	1.03	80.55%	The reason for increase in the ratio is on account of lower quarterly loan repayments by the company and lower losses.
Return on equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	-0.18	-0.17	-2.20%	NA
Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	NA
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	0.99	1.17	-15.34%	NA
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.34	0.00	NA	NA
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Total Current assets - Current liabilities	-6.01	-3.16	-90.31%	The change in the ratio is on account of increase in Service concession contract revenue due to the execution of Stage II Toll works.
Net profit ratio	Net Profit	Net sales = Total sales - sales return	-0.08	-0.13	34.01%	Net profit ratio has improved on account of Increased Toll Collections resulting in better absorption of overheads and fixed costs as compared to previous year.
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-1.12	-3.08	63.71%	The change in this ratio is on account of better EBIT and also increase in Intangible assets under development due to execution of stage II Toll works.
Return on investment	Interest (Finance Income)	Investment	NA	NA	NA	NA

- ii The duration and impact of the COVID-19 pandemic especially on account of second wave of the pandemic, remains unclear at present as on reporting date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. However, the company is protected by the clauses 29.6 of the Concession Agreement to claim such loss under force majeure event in the form of revenue loss compensation by way of extension of the concession period. The impact of the lockdown disruption/ COVID-19 pandemic will have to be assessed from time to time and communicated as we progress during the current financial year. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities. It is therefore premature to forecast the future impact with credibility at this stage.
- iii The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- iv The Company do not have any transactions with companies struck off.
- v The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi The Company have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- vii The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties.
- viii The Company does not have any changes in accounting policy or prior period errors.
- ix The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- x The Company does not have any title deeds of immovable properties not held in name of the company.
- xi Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable.
- xii The Company does not have any investment property.
- xiii The Company has not revalued any item of property, plant and equipment and Intangible Asset
- xiv The Company does not have any transactions where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- xv The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- xvi Company has not received any grants and donations.
- xvii The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- xviii The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- xix There are no charges or satisfaction of charge yet to be registered with the Registrar of Companies beyond the Statutory Period.
- xx The Company have not entered into any scheme(s) of arrangements during the financial year.
- xxi Since Company have no Lease in the books therefore no disclosure is required.



Ircon Shivpuri Guna Tollway Limited
Notes to Financial Statements for the year ended 31st March 2022



Note:- 38 Corporate Social Responsibility Expenses (CSR)

The Company is not covered under section 135 of the Companies Act, 2013 and no CSR expenditure has been incurred during the period.

Note :- 39 Other disclosures


- a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Company has been sending letters for confirmation to parties. However, the does not expect any material dispute w.r.t. the recoverability/payment of the same.
- b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.
- c) 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.

For P. R. KUMAR & Co.
Chartered Accountants
Firm Reg. No. : 003186N

(CA Deepak Srivastava)
Partner
M. No. 501615




(Masood Ahmad)
Director
DIN-09008553


(Atul Kumar)
Chief Executive Officer


(Mugunthan Boju Gowda)
Director
DIN-08517013


(Rachna Tomar)
Chief Financial Officer


(Ivi Matta)
Company Secretary

Place : New Delhi
Date : 



C&AG COMMENTS



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

भारतीय लेखापरीक्षा एवं लेखा विभाग
प्रधान निदेशक लेखापरीक्षा का कार्यालय
रेलवे वाणिज्यिक, नई दिल्ली

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
RAILWAY COMMERCIAL, NEW DELHI

4, दीनदयाल उपाध्याय मार्ग, नई दिल्ली 4, Deen Dayal Upadhyaya Marg, New Delhi-110002



सत्यमेव जयते

संख्या/पी.डी.ए/आर.सी/ISGTL/AA/48-16/2022-23/221

दिनांक: 02.08.2022

सेवा में,

निदेशक,

इरकॉन शिवपुरी गुना टोलवे लिमिटेड,
सी-4, डिस्ट्रिक्ट सेंटर, साकेत,
नई दिल्ली -110017.

महोदय,

विषय: 31 मार्च 2022 को समाप्त वर्ष के लिए इरकॉन शिवपुरी गुना टोलवे लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं इरकॉन शिवपुरी गुना टोलवे लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संगलंक: यथोपरी

विक्रम डी. मुरुगराज
02.08.2022
विक्रम डी. मुरुगराज
प्रधान निदेशक (रेलवे वाणिज्यिक)


COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IRCON SHIVPURI GUNA TOLLWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of **Ircon Shivpuri Guna Tollway Limited** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2022.

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 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

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

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


02.08.2022
Vikram D. Murugaraj
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 02.08.2022

**IRCON SHIVPURI GUNA TOLLWAY LIMITED
(IrconSGTL)**

CIN: U45400DL2015GOI280017

Registered & Corporate Office:

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