

IRCON SHIVPURI GUNA TOLLWAY LIMITED (IrconSGTL)

2nd ANNUAL REPORT (2016-17)



STATUTORY AUDITORS

M/s C S Bhatnagar & Co.
Chartered Accountants

SECRETARIAL AUDITOR

M/s Surbhi Bansal & Associates
Company Secretaries

BANKERS TO THE COMPANY

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

EPC CONTRACTOR TO COMPANY

Ircon International Limited



REGISTERED OFFICE

C-4, District Centre,
Saket, New Delhi - 110017
CIN: U45400DL2015GOI280017

Vision & Mission

VISION

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

MISSION

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

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Board of Directors

(Part-Time Directors)



Mr. Deepak Sabhlok
Chairman



Mr. Ashok Kumar Goyal
Director



Mr. Anand Kumar Singh
Director



Mr. Rajendra Singh Yadav
Director



Ms. Anupam Ban
Director

Key Executives



Mr. Masood Ahmad Najar
Chief Executive Officer



Mr. Pardeep Kumar Jain
Chief Financial Officer



Ms. Sakshi Mehta
Company Secretary

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



Chairman's Address



On behalf of IrconSGTL's Board of Directors, it gives me immense pleasure to welcome you all to the 2nd Annual General Meeting of the Company. The Annual Report, including the Audited Financial Statements, Directors' Report, Auditors' Report for the year ended 31st March 2017 has been circulated to you. With your permission, I shall take them as read.

About the Project

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

The total project cost is Rs. 872.11 Crores and the EPC contract cost is Rs. 642 Crores. The total length of road to be constructed is 97.70 Km (Four Laning) and in equivalent 2 lane is 170.60 Km in first phase of construction.

During the financial year 2016-17, the Company has expended the entire authorized equity share capital of Rs. 150 Crores on the project, and availed loan of Rs. 162.65 Crores against the sanctioned loan amount of Rs. 722.11 Crores for meeting the project construction costs. The capital expenditure made during the financial year 2016-17 is Rs. 294.12 Crores and the cumulative capital expenditure as on 31st March 2017 stands at Rs. 300.68 Crores.

Scheduled Period of Construction

The Project is expected to be completed during the current financial year so as to obtain the Commercial Operations Date (COD) in April 2018 ahead of scheduled COD.

Project Progress: Physical and Financial

- i. Out of the total scope of work of completion of 170.60 km (equivalent two lane), 110.46 km of Earthwork in formation, culverts and minor bridges excluding major bridges, 93.54 km of DBM and 97.26 km of WMM have been completed upto 31st March 2017.
- ii. As regards the status of achievement of Financial Milestones as specified in Schedule G of the Concession Agreement linked to expending 10%, 35% and 70% of total project cost of Rs.872.11 Crores:
 - a) 1st financial milestone was submitted to NHAI on 22nd July 2016 well within 180 days from the appointed date for the value of Rs. 93.32 crores and the same have been accepted by competent authority without any damages.
 - b) 2nd financial milestone was also submitted to NHAI and has been accepted by competent authority without any damages on 27th February 2017 well within 400 days from the appointed date for the value of Rs. 278.06 crores.
 - c) 3rd financial milestone is scheduled to be achieved by 4th November 2017 i.e. within 650 days from the appointed date and the same is anticipated to be achieved as scheduled.

Financial Performance

IconSGTL, being a wholly-owned subsidiary of Icon International Limited has successfully transitioned towards IND AS ('Indian Accounting Standards') and the financial statements for the period from 2016-17 have been prepared as per IND AS along with comparative figures for previous financial year 2015-16.

As per earlier accounting standards, i.e. Indian GAAP, project being under construction, nil revenue was reflected from operations and only interest earning from Bank deposits was reflected as Other Income. But due to applicability of IND AS specifically IND AS 11 – 'Accounting for Service Concession Agreement', the project development expenditure has been recorded as revenue from operations; in-spite of the fact that the project is still under construction.

Accordingly, for the financial year 2016-17, the revenue from operations stands at Rs. 29,412.43 Lakhs and the total comprehensive income stands at Rs. 39.21 Lakhs whereas for financial year 2015-16, the revenue from operations stands at Rs. 655.96 Lakhs and the net loss stands at Rs. 91.22 Lakhs.

The change in accounting standards from Indian GAAP to IND AS is reflective in Company financials and the members are requested to take note of the same.

Compliances and Disclosures

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

Memorandum of Understanding (MoU)

Your Company has also signed the Memorandum of Understanding with Ircon International Limited, holding Company for the second time for the year 2017-18 on 13th June 2017 Complying with DPE's MOU guidelines for Central Public Sector Enterprises (CPSEs).

Acknowledgements

I wish to place on record on behalf of Board of Directors, their gratitude for the valuable assistance and co-operation extended to the Company by the Ircon International Limited, Auditors of the Company and the valued Client of the Company-National Highways Authority of India. I acknowledge the efforts of the Company's employees, who are our most valuable asset. Their dedication, intellect, hard work, and deep sense of values has been the key to take our company forward.

Place: New Delhi
Date: 25.09.2017

(Deepak Sabhlok)
Chairman
DIN: 03056457

Directors' Report
FY: 2016-17

Directors' Report

**To
The Members of the Company**

Your Directors are pleased to present the 2nd Annual Report of the Company for the financial year 2016-17, together with the Audited Financial Statements, the Auditors' Report, and Review by the Comptroller and Auditor General of India.

A. BUSINESS OVERVIEW: PRESENT STATE OF AFFAIRS

Ircon Shivpuri Guna Tollway Limited (IrconSGTL) is engaged into construction of **Shivpuri-Guna Highway Project on NH-3 in the State of Madhya Pradesh** with a total project cost of Rs. 872.11 Crores, however the project is being executed in two phases i.e. Phase - I & Phase - II. The total cost for Phase - I is Rs. 759.98 Crores and is scheduled to be completed on 22nd July 2018 whereas the cost for Phase - II is Rs. 112.13 Crores and will commence from January 2020. The EPC cost of Rs. 642 Crores and on notification of appointed date by NHAI as 25th January 2016, the Company has commenced construction of project highway and the work is continuously progressing.

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

The 'Project's Physical Progress' for Phase - I is continuing as planned and is likely to be completed during current financial year so as to obtain Commercial Operation Date (COD) in April 2018 ahead of scheduled COD.

The 'Project's Financial Progress' (i.e. Capital Expenditure - relative to the total project cost) stands at the value of Rs. 300.68 Crores as amount expended on project development as equivalent to the value of 'Intangible Assets under Development'. The sources of funding utilized for attaining the said financial progress is as mentioned below:-

- Equity Share Capital: Rs. 150 Crores (Entire equity has been called and expended)
- Secured Loan (Borrowings): Rs. 162.65 Crores (Against the Sanctioned Loan Amount of Rs. 722.11 Crores)

B. FINANCIAL PERFORMANCE OF THE COMPANY

In pursuance of the provisions enumerated under Companies (Indian Accounting Standards) Rules, 2015, the Company, has prepared its annual financial statements for the financial year 2016-17 as per Indian Accounting Standards (IND AS) with a transition

from erstwhile Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies have accordingly been reframed for compliance of IND AS.

Due to application of IND AS vis-a-vis Indian GAAP - specifically IND AS 11: 'Service Concession Arrangements', there has been a notable impact on Company financials as reflected in the 'STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017' wherein:-

1. **Project Developmental Expenditure ('Capital Expenditure')** has been recognised as '**Revenue from Operations**' as such expenditure leads to creation of asset for Company although the project is in construction phase and has not yet commenced its tollway operations; and
2. **Project Construction Expenses** have been recognised as Operating Expenses.

Previously under Indian GAAP, the entire project construction expenditure was reflected in '**Intangible Assets under Development**' only in the **Assets Side of the Balance Sheet**.

Further, since Annual Financial Statements for financial year 2016-17 reflect the comparative figures for previous financial year 2015-16 as well, the figures for financial year 2015-16 have also been restated as per IND AS and adjustments have been made. Accordingly, the '**Reconciliation Statement**' for equity and for total comprehensive income for year ended 31st March 2016 forms part of accounts and the major items are as tabulated below:-

The major changes in figures for the year ended 31st March 2016 after complying IND AS:-

IND AS ADJUSTMENTS: AUDITED FINANCIAL STATEMENTS – FINANCIAL YEAR 2015-16

(Amount in Rs. Lakhs)

Particulars	INDIAN GAAP	ADJUSTMENTS	IND AS
1. Revenue from Operations	Nil	655.96	655.96
2. Contract Cost	Nil	655.96	655.96

Thereby, in terms of the aforesaid information, the summarized financial position of the Company for the financial year ended 31st March 2017 as per IND AS is as tabulated below:-

Financial performance Indicators as on 31st March 2017

(Amount in Rs. Lakhs)

Particulars	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
	(Audited)	(Audited)
1. Equity Share Capital	15,000	3,300
2. Other Equity (includes Reserves and	(66.84)	3,605.78

Surplus)		
3. Loan from Holding Company (Borrowings)	16,265	-
4. Intangible Assets under Development	30,068.39	655.96
5. Total Assets and Liabilities	32,409.73	8,975.56
6. Revenue from Operations	29,412.43	655.96
7. Other Income	61.15	7.34
8. Total Income (6) + (7)	29,473.58	663.30
9. Operating cost	29,412.43	655.96
10. Other Expenses	-	136.76
13. Total Expenses (9) + (10)	29412.43	792.72
14. Profit Before Tax (8) – (13)	61.15	(129.42)
15. Profit After Tax	39.21	(91.22)
16. Other Comprehensive Income	-	-
17. Total Comprehensive Income (Comprising Profit (Loss) & Other Comprehensive Income (15) + (16)	39.21	(91.22)

Share Capital

The Authorized Share Capital of the Company is Rs 150 Crore comprising of 15,00,00,000 equity shares of Rs 10 each. The entire equity have been expended during the year 2016-17, therefore, the paid up share capital of the Company as on 31st March 2017 is Rs 150 crores.

C. CASH FLOWS FROM THE PROJECT

The total decrease in Cash Flows from the project activities during the year is **Rs. (2,555.67) lakhs.**

D. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

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

E. BOARD COMMITTEES

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee

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

F. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Board has met 9 number of times during the previous financial year 2016-17 as per the provisions of the Companies Act, 2013, Meetings of Board and its Powers, Rules, 2014 and DPE (Corporate Governance) Guidelines 2010.

Details of Board Meetings Convened During the FY 2016-17

Sr. No.	Date of Board Meeting	Time Gap w.r.t. Previous Meeting (No. of Days)	No. of Directors Present	No. of Directors Absent
1.	6 th May 2016	48	3	Nil
2.	20 th June 2016	44	3	Nil
3.	21 st July 2016	30	4	Nil
4.	11 th August 2016	20	4	Nil
5.	26 th September 2016	45	4	Nil
6.	17 th October 2016	20	3	1
7.	5 th December 2016	18	3	Nil
8.	3 rd January 2017	28	3	Nil
9.	14 th March 2017	69	4	Nil

(ii) BOARD OF DIRECTORS

The following Directors are holding office as on date:

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

(iii) KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act 2013, Mr. Masood Ahmad Najjar, Chief Executive Officer and Mr. Mohammad Hannan, Chief Financial Officer of the Company were declared as Key Managerial Personnel (KMP) of the

Company w.e.f. 21st July 2016. Mr. Himanshu Manchanda, Company Secretary was appointed as KMP w.e.f. 1st July 2016.

However, Mr. Mohammad Hannan, Chief Financial Officer, ceased to hold office w.e.f. 14th March 2017 and Mr. Pardeep Kumar Jain was deputed from holding company in place of Mr. Mohammad Hannan w.e.f. 15th March 2017 and accordingly on receipt of consent Mr. Pardeep Kumar Jain to act as KMP, he was declared as KMP w.e.f. 28th July 2017.

Mr. Himanshu Manchanda, Company Secretary, has also ceased to hold office w.e.f. 24th March 2017 and accordingly Ms. Sakshi Mehta has been appointed as Company Secretary w.e.f. 29th May 2017.

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

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

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

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

The Company do not have any Independent Director during the Financial Year 2016-17.

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

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

J. EXTRACT OF ANNUAL RETURN – MGT-9

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

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

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

L. DIVIDEND & RESERVES

The Board of Directors do not recommend any dividend on the Equity Shares of the Company for the FY ended 31st March 2017.

As per the applicability of IND AS, Reserves are reflected as Retained Earnings under the head 'Other Equity' in Financial Statements and your Company has a negative balance of Rs. (66.84) Lakhs in Retained Earnings as on 31st March 2017.

M. DEPOSITS

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

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

During the construction of the highway, adequate measures as stipulated by NHAI had been taken to ensure environment protection and conservation. There was no foreign exchange inflow or outflow during the financial year 2016-17.

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

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

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

P. DETAILS RELATING TO ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

As per Section 143 of the Companies Act, 2013 and the Companies (Auditor's Report) Order, 2015 (*Applicable from the date of publication in the Official Gazette*) provides for

Auditors to mention in their Auditors' Report about the adequacy of internal financial controls existing in the Company commensurating with the size and nature of business.

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

Q. RISK MANAGEMENT

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

R. PARTICULARS OF EMPLOYEES

There is no employee who has drawn remuneration of Rs 60 Lakhs or more per annum or Rs 5 lakhs or more per month during the year 2016-17 in terms of section 134(3) of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment & Remuneration of key Managerial Personnel) Rules, 2014.

S. REPORT ON CORPORATE GOVERNANCE

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

T. AUDITORS

a) Statutory Auditors

M/s CS Bhatnagar & Co., Chartered Accountants, were appointed by the Comptroller and Auditor General of India (C&AG) as Statutory Auditors, to audit the Financial Statements of the Company for the year 2016-17.

b) Secretarial Auditor

M/s Surbhi Bansal & Associates, Company Secretaries, were appointed by the Board of Directors to conduct the Secretarial Audit of the Company for the financial year 2016-17.

c) Internal Auditors

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

U. CSR COMMITTEE

The Company as on date is not required to constitute the Corporate Social Responsibility (CSR) Committee due to not falling within the purview of Net Worth of Rs. 500 Crores or more, Turnover of Rs. 1,000 Crores or more or Net Profit of Rs. 5 Crores or more. (Section

135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

V. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

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

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

After the close of the year, the Company has taken a loan of Rs. 158.29 crores from holding company (Ircon).

X. MEMORANDUM OF UNDERSTANDING

Your Company had signed the Memorandum of Understanding (MoU) with Ircon International Limited, holding Company for the first time for the year 2016-17 during July, 2016 complying with DPE's MOU guidelines for Central Public Sector Enterprises (CPSEs). Likewise, Memorandum of Understanding with Ircon International Limited, holding company for the year 2017-18 was also signed on 13th June 2017.

ACKNOWLEDGEMENT

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

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

**Date: 06.09.2017
Place: New Delhi**

**(Deepak Sabhlok)
Chairman
DIN: 03056457**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

(i) Industry Structure and Developments

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

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

As such NHAI under its flagship programme NHDP-Phase IV has taken as the challenge to develop, expand the National Highways (NH) network in the Country. For implementation of the scheme, the work of widening and strengthening of the Shivpuri-Guna Section (NH-3) in the State of Madhya Pradesh for which tender was floated by NHAI in which Ircon International Limited (Ircon – 100% Holding Company) participated, bagged the contract for execution and formulated SPV named as Ircon Shivpuri Guna Tollway Limited. This project based on industrial trends has growth potential and has increased propensity to make huge collections from highway consumers relative to inflation rates existing in the economy.

(ii) Strengths and Weaknesses

➤ **Strengths**

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

➤ **Weaknesses**

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

- (iii) Unexpected cost escalations due to increase in price of petroleum products and natural materials.

(iii) Opportunities and Threats

➤ Opportunities

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

➤ Threats

- (i) Delay in implementation of highway project not only increases the project costs but also affect revenues due to limited concession period and increased burden of interest payments.
- (ii) In BOT projects, cost of inputs has to be maintained at estimated levels and forecast of traffic has to be achieved with less scope for variations.

(iv) Outlook

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

(v) Risks and Concerns

- Performance Management is a daunting task.
- Existing Risk Assessment Models for construction projects are not at par with practices followed in developed countries.

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

Current Operational and Non-Operational Income and Expenses break-up for the FY 2016-2017 is detailed below:-

Table I: Present Financial Situation

(Amount in Rs. Lakhs)

Particulars		For the Period From 1 st April 2016 to 31 st March 2017
I.	Revenue :	
	Revenue from operations	29,412.43
	Other income	61.15
	Total Revenue	29,473.58

II.	Expenses:	
	Operating Cost	29,412.43
	Total Expenses	29,412.43
III.	Profit Before Tax	61.15

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

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

Further appointments if any, shall be done on the basis of requirements with Nomination and Remuneration Committee of the Board, looking into the essential qualifications and skills and capability parameters, before arriving at any decision.

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

**(Deepak Sabhlok)
Chairman
DIN: 03056457**

**Date: 06.09.2017
Place: New Delhi**

ANNEXURE – B**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	IRCON INTERNATIONAL LIMITED	U45203DL1976GOI008171	HOLDING COMPANY	100% *	Sec 2(46)

* 100% Shares held by Ircon International Limited (Ircon) and its 9 Nominees.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A) CATEGORY-WISE SHARE HOLDING:**

Category of Shareholders	No. of Shares held at the beginning of the year, [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.#	Nil	33000000	33000000	100%	Nil	150000000	150000000	100%	354%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)	Nil	33000000	33000000	100%	Nil	150000000	150000000	100%	354%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-

ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	Nil	33000000	33000000	100%	Nil	150000000	150000000	100%	354%

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

B) SHAREHOLDING OF PROMOTERS:

S.N	Shareholder's Name	Shareholding at the beginning of the year, as on 31 st March 2016			Shareholding at the end of the year, as on 31 st March 2017			% 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	33000000	100%	-	150000000	100%	Nil	354%
	Total	33000000	100%	-	150000000	100%	Nil	354%

Shareholding of Promoters: Company is wholly-owned subsidiary of Ircon International Limited – with 150,000,000 Equity Shares of Rs. 10/- each i.e. Entire Shareholding held by Indian Promoters. The other 9 shareholders are holding 100 shares each “for and on behalf of Ircon International Limited”.

C) CHANGE IN PROMOTERS' SHAREHOLDING:

SN	Particulars	Shareholding at the beginning of the Year, as on 31 st March 2016		Cumulative Shareholding during the Year, as on 31 st March 2017	
		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	33000000	22%	33000000	22%
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.):				
	(a) Date of Allotment: 6 th May 2016 Increase in Number of Shares Class of Shares: Equity Shares	37000000	24.67%	70000000	46.67%
	(b) Date of Allotment: 21 st July 2016 Increase in Number of Shares Class of Shares: Equity Shares	50000000	33.33%	120000000	80%
	(c) Date of Allotment: 5 th December 2016 Increase in Number of Shares Class of Shares: Equity Shares	30000000	20%	150000000	100%
3.	At the End of the Year	150000000	100%	150000000	100%

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

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

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shareholding of Each Director(s) and Each Key Managerial Personnel	Shareholding at the beginning of the Year, as on 31 st March 2016		Cumulative Shareholding during the Year as on 31 st March 2017	
	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				

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL			
Change in Indebtedness during the financial year				
* Addition	162,65,00,000			162,65,00,000
* Reduction				
Net Change	NIL			
Indebtedness at the end of the financial year				
i) Principal Amount	162,65,00,000			162,65,00,000
ii) Interest due but not paid	1,88,83,000	-	-	1,88,83,000
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	164,53,83,000			

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

* IrconSGTL had four Part-time Directors during the financial year 2016-17, nominated on the Board by the holding company; do not draw any remuneration from the Company. No sitting fee is paid to the Part-time Directors.

B. REMUNERATION TO OTHER DIRECTORS:

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

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

S.No.	Particulars of Remuneration #	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,45,935	2,10,931	7,02,495	19,59,361
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,44,595	-	-	1,44,595
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify				
	-Performance linked incentive (PRP)	-	-	88,286	88,286
	- Retirement benefits (Pension, PF)	1,06,713	8297	54,783	1,69,793
	Total	12,97,243	2,19,228	8,45,564	23,62,035

#Remuneration: The remuneration of Key Managerial Personnel (KMP) as stated in table above is from the period of date of declaration as KMP (i.e. in case of CEO & CFO 21st July 2016 and in case of CS is 1st July 2016). However, CFO & CS had ceased to hold office w.e.f. 14th March 2017 and 24th March 2017 respectively and accordingly, the remuneration of CFO is up to 31st January 2017 only and of CS is up to 24th March 2017.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

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

**Date: 06.09.2017
Place: New Delhi**

**(Deepak Sabhlok)
Chairman
DIN: 03056457**

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto for the financial year 2016-17

Sr. No.	Particulars	Description
1.	<i>Details of Contracts or Arrangements or Transactions not at Arm's Length Basis</i>	<i>NIL</i>
2.	<i>Details of Material Contracts or Arrangements or Transactions at Arm's Length Basis</i>	<i>AS SPECIFIED BELOW:-</i>
3.	Name(s) of the related party and nature of relationship	1) Ircon International Limited, Holding Company 2) Ircon International Limited, Holding Company
4.	Nature of contracts or arrangements or transactions	1) Addendum to the EPC Agreement (For modification in Schedule E of the EPC Agreement) 2) Addendum II to the EPC Agreement (For modification in Schedule E of the EPC Agreement)
5.	Duration of the contracts or arrangements or transactions	Not Applicable
6.	Salient terms of the Contracts or Arrangements or Transactions including the value, if any	Addendums to EPC Agreement have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs. 642 Crores.
7.	Date(s) of approval by the Board, if any:	1) 18 th March 2016 , 2) 21 st July 2016
8.	Amount paid as advances, if any:	NIL

**For and on behalf of Board of Directors
of IrconShivpuri Guna Tollway Limited**

**Date: 06.09.2017
Place: New Delhi**

**(Deepak Sabhlok)
Chairman
DIN: 03056457**

REPORT ON CORPORATE GOVERNANCE

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

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

2. Board of Directors

2.1 Composition of Board:-

The Company has a non-executive board with its members as Mr. Deepak Sabhlok, Chairman, Mr. Ashok Kumar Goyal, Director, Mr. Anand Kumar Singh, Director, and Mr. Rajendra Singh Yadav, Director. Ms. Anupam Ban has joined the Board on 9th June 2017.

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

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

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

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

Directors	Whole-time / Part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconSGTL)	Committee Memberships held in Companies / Body Corporates (including IrconSGTL)	
			As Chairman	As Member
Deepak Sabhlok [DIN 03056457]	Part – time Chairman	7 [Ircon, ISTPL, IrconPBTL, IrconDHHL, CERL, CEWRL and MCRL]	1	3

Ashok Kumar Goyal [DIN 05308809]	Part – time Director	4 [ISTPL, IrconISL, IrconPBTL, and IrconDHHL]	4	4
Anand Kumar Singh [DIN 07018776] (w.e.f. 21.07.2016)	Part – time Director	2 [IrconPBTL and IrconDHHL]	2	3
Rajendra Singh Yadav [DIN 07752915] (w.e.f. 06.03.2017)	Part – time Director	2 [IrconPBTL and IrconDHHL]	NIL	5
Anupam Ban [DIN 07797026] (w.e.f. 09.06.2017)	Part – time Director	2 [IrconPBTL and IrconDHHL]	NIL	NIL

DIRECTORS WHO CEASED TO HOLD OFFICE
(During 2016-17 and thereafter till the date of this report)

Directors	Whole-time / Part-time / Independent	Directorships held in Companies/ Body Corporates (excluding IrconSGTL)	Committee Memberships held in Companies / Body Corporates (including IrconSGTL)	
			As Chairman	As Member
Mr. Anil Jain [DIN 05283217] [Held Office from 12.05.2017 to 31.10.2016. Ceased to hold office on superannuation in Ircon and therefore relinquished the charge of Part-time Director in IrconSGTL].	Part – time Director	1 [IrconISL]	1	2

Notes:

- The number of Directorships is within the maximum limit of:
-20 Companies (out of which maximum 10 public companies) under the Companies Act, 2013.

2. Directors are not related to each other.
3. Directors do not have any pecuniary relationships or transactions with the Company.
4. The Directorships / Committee memberships are based on the latest disclosure received from Directors.
5. Committee memberships of Audit Committees of all Public Limited Companies have been considered.
6. The number of committee memberships of directors is within the maximum limit of ten including the permitted limit of five chairmanships under the DPE Corporate Governance Guidelines, 2010 (DPE Guidelines). Only Audit Committee is to be counted for the said limit.
7. Full names of Companies referred:
 - a) Ircon – Ircon International Limited
 - b) IrconISL – Ircon Infrastructure Services Limited
 - c) ISTPL – Ircon-Soma Tollway Private Limited
 - d) IrconPBTL - Ircon PB Tollway Limited
 - e) IrconDHHL – Ircon Davanagere Haveri Highway Limited
 - f) CERL – Chhattisgarh East Railway Limited
 - g) CEWRL -Chhattisgarh East-West Railway Limited
 - h) MCRL – Mahanadi Coal Railway Limited

3. BoD Meetings and Attendance during 2016-17:

- a) The Board of Directors met 9 times during the financial year 2016-17 on: 6th May 2016, 20th June 2016, 21st July 2016, 11th August 2016, 26th September 2016, 17th October 2016, 5th December 2016, 3rd January 2017 and 14th March 2017.
- b) Leave of absence was granted in terms of section 167(1)(b) of the Companies Act, 2013.
- c) Details of attendance of the Directors and Company Secretary during 2016-17:

Directors	No. of Board Meetings during 2016-17		Attended last Annual General Meeting
	Held (during their respective tenures)	Attended	
Deepak Sabhlok	9	9	YES
Anil Jain	6	5	YES
Ashok Kumar Goyal	9	9	YES
Anand Kumar Singh	7	7	YES
Rajendra Singh Yadav	1	1	NA

Mr. Himanshu Manchanda, Company Secretary, attended all the 7 meetings held during his tenure in the year 2016-17 and ceased to hold office w.e.f. 24th March 2017. Accordingly, Ms. Sakshi Mehta was appointed as Company Secretary w.e.f. 29th May 2017.

4. Committees of BoD

4.1 Audit Committee

4.1.1 Terms of Reference

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

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

4.1.2 Audit Committee – Composition and Attendance:

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

The present composition of the Committee is:

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

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

Since Mr. Anil Jain ceased to be part-time director w.e.f. 31st October 2016 and then there were two members left in the composition of Audit Committee and Mr. Rajendra Singh Yadav joined the Board of IrconSGTL w.e.f. 6th March 2017, therefore, no Audit Committee meeting was held during the financial year 2016-17.

4.2 Nomination and Remuneration Committee

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

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

Terms of Reference

The Nomination and Remuneration Committee shall-

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

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

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

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

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

No meeting has been held during the year 2016-17.

5. General Body Meetings

The details of general meetings held during last two years i.e. 2015-16 & 2016-17 are tabulated as below:

Table II: General Meetings

Sr . N o.	Type of Shareholder Meeting	Date of Meeting	Time	Location	For Transacting	
					Ordinary Business	Special Business
1.	First Extraordinary General Meeting (EGM)	16 th June 2015	13.00 Hours	Company's Registered Office, Delhi	NA	Borrowing Powers of Company in excess of paid-up Share Capital and Free Reserves u/s 180(1)(c) of Companies Act, 2013
2.	First Annual General Meeting (AGM)	27 th September 2016	12.00 Noon	Company's Registered Office, Delhi	3	NA

NA denotes: Not Applicable

6. Disclosures and Statutory Compliances:-

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

7. CEO/CFO Certification

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

8. Certificate for Compliance with Corporate Governance Guidelines

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

The said certificate was obtained from the Practising Company Secretaries (PCS), Arun Kumar Gupta and Associates, Company Secretaries, having office at 1005, Roots Tower, Plot No. 7, District Centre, Laxmi Nagar, Delhi – 110092, for the Financial Year 2016-17, and is attached herewith as **ANNEXURE – "D-2"**.

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

**Date: 06.09.2017
Place: New Delhi**

**(Deepak Sabhlok)
Chairman
DIN: 03056457**

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

We have reviewed the Financial Statements including the Balance Sheet, Statement of Profit And Loss and the Cash Flow Statement for the Financial Year 2016-17 and to the best of our knowledge and belief:-

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- (ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iii) These are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company’s General Code of Conduct as agreed to be followed by the Directors and Senior Management of the Company.
- (iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to rectify these deficiencies.
- (v) We have indicated to the Auditor any changes in Accounting Policies that may have been effected during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
- (vi) There was no instance of fraud of which we are aware nor there has been involvement of the Management or an employee having a significant role in the Company’s internal control system over financial reporting.

Mr. Masood Ahmad
Chief Executive Officer (CEO)

Mr. Pardeep Kumar Jain
Chief Financial Officer (CFO)

Date: 27.07.2017
Place: New Delhi

Annexure – “D-2”

**ARUN KUMAR GUPTA & ASSOCIATES
COMPANY SECRETARIES**

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

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

**To
The Members of
Ircan Shivpuri Guna Tollway Limited
C-4, District Centre, Saket,
New Delhi – 110017**

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March, 2017, by Ircan Shivpuri Guna Tollway Limited, a Government Company under section 2(45) of the Companies Act, 2013 (corresponding sections 2(18) and 617 of the Companies Act, 1956), as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

We have studied the Report on Corporate Governance of the said Company as approved by its Board of Directors. We have also examined the relevant records and documents maintained by the Company and furnished to us for our review in this regard.

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

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

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

In our opinion and to the best of our information and on the basis of our review and according to the information and explanation given to us, we certify that the Company has complied with the

mandatory requirements of Corporate Governance in all material respects as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE) except submission of Quarterly Reports and Annual Report to DPE and it is required to be emphasized for future compliance.

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

**For Arun Kumar Gupta & Associates
Company Secretaries**

**(Arun Kumar Gupta)
FCS - 5551
CP No- 5086**

Place: New Delhi
Date: 07.09.2017

SURBHI BANSAL AND ASSOCIATES

516, Kirti Shikhar Building,
Plot No. 11, District Centre,
Janakpuri, New Delhi – 110058
Tel.: 91-9711584732

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We, M/s Surbhi Bansal and Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Ircon Shivpuri Guna Tollway Limited** (CIN-U45400DL2015GOI280017) (hereinafter called the company) for the financial year 2016-17. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s Ircon Shivpuri Guna Tollway Limited (CIN-U45400DL2015GOI280017) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (as amended)('the Act') and the rules made there under;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; - **Not applicable to the Company.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; - **Not applicable to the Company.**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not applicable to the Company during the audit period.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not applicable to the Company.**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; - **Not applicable to the Company.**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not applicable to the Company.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company.**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable to the Company.**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable to the Company,** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company.**

(vi) We further report that, having regards to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has complied with the following laws applicable to the company:-

- (a) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
- (b) Building and Other Construction Workers Welfare Cess Act, 1996.
- (c) Environmental Laws, as applicable
- (d) Labour Laws, as applicable

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

- (i) Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India;

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015; - **Not applicable to the Company.**
- (iii) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

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

We further report that

The Board of Directors of the Company is duly constituted with only Non-Executive Directors except appointment of Independent Directors. However it is understood that the appointment of Independent Director is being done by the holding Company i.e. Ircon International Limited (in pursuance of Articles of Association of the Company). The changes in the composition of the Board of Directors that took place during the audit period 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 to all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings were carried out unanimously as recorded in the Minutes of the Board of Directors

We further report that, based on the review of the compliance reports and the certificates of the Company Executive taken on record by the Board of Directors of the Company, in our opinion 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.

This Report is to be read with my letter of even date which is annexed as **Annexure 1** and forms an integral part of this Report.

For Surbhi Bansal & Associates

Surbhi Bansal
Proprietor
ACS No.: A39013
C P No.: 15939

Place: New Delhi
Date: 08th September, 2017

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

Our report of even date is to be read along with this letter stating that.

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

For Surbhi Bansal & Associates

**Surbhi Bansal
Proprietor
ACS No.: A39013
C P No.: 15939**

**Place: New Delhi
Date: 08th September, 2017**

*Financial
Statements
(FY: 2016-17)*

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI1280017)
BALANCE SHEET
As at 31st March 2017

(Amount in Lakhs)

Particulars		Note No.	As at 31st March 2017		As at 31st March 2016	
I.	ASSETS					
1	Non-current assets					
	(a) Property, Plant and equipment	3	0.72		-	
	(b) Other Intangible assets	4	-		-	
	(c) Intangible assets under development	5	30,068.39		655.96	
	(d) Financial Assets					
	(i) Others		-		-	
	(e) Deferred tax assets (Net)	6	25.35		38.20	
	(f) Other non-current assets	7	-	30,094.46	3,000.00	3,694.16
2	Current assets					
	(a) Financial Assets	8				
	(i) Cash and cash equivalents	8.1	1,278.39		3,834.06	
	(ii) Bank Balances other than (i) above		-		-	
	(iii) Others	8.2	863.12		1,436.25	
	(b) Current Tax Assets (Net)	9	124.14		2.30	
	(c) Other current assets	10	49.62	2,315.27	8.79	5,281.40
	Total Assets			32,409.73		8,975.56
II.	EQUITY AND LIABILITIES					
1	Equity					
	(a) Equity Share Capital	11	15,000.00		3,300.00	
	(b) Other Equity	12	(66.84)	14,933.16	3,605.78	6,905.78
2	Liabilities					
	Non-current liabilities					
	(a) Financial Liabilities					
	(i) Borrowings	13	16,265.00	16,265.00	-	-
	Current liabilities					
	(a) Financial Liabilities					
	(i) Other financial liabilities	14	1,093.62		1,907.43	
	(b) Other current liabilities	15	117.95		162.35	
	(c) Current Tax liabilities (Net)		-	1,211.57	-	2,069.78
	Total Equity and Liabilities			32,409.73		8,975.56
III.	Summary of Significant Accounting policies	1-2				
IV.	Notes forming part of financial statement	3-36				

As per our Report of even date attached

For and on behalf of Ircon Shivpuri Guna Tollway Limited

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

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

(Deepak Sabhlok)
Chairman
DIN-03056457

(Anand Kumar Singh)
Director
DIN-07018776

(Ashok Kumar Goyal)
Director
DIN-05308809

(Masood Ahmad Najar)
Chief Executive Officer

(Pardeep Kumar Jain)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 28.07.2017

IRCON SHIVPURI GUNA TOLLWAY LIMITED
(CIN- U45400DL2015GOI1280017)
STATEMENT OF PROFIT AND LOSS
For the year ended 31st March 2017

(Amount in Lakhs)

Particulars		Note No.	For the year ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
Revenue :				
I	Revenue from operations	16	29,412.43	655.96
II	Other income	17	61.15	7.34
III	Total Income (I + II)		29,473.58	663.30
Expenses:				
IV	Employee benefits expenses		-	-
	Finance costs		-	-
	Operating Cost	18	29,412.43	655.96
	Depreciation, amortization Expenses	19	-	-
	Other Expenses	20	-	136.76
	Total Expenses (IV)		29,412.43	792.72
V	Profit/(loss) Before exceptional items and Tax (III - IV)		61.15	(129.42)
VI	Exceptional items		-	-
VII	Profit/(Loss) before tax (V - VI)		61.15	(129.42)
VIII	Tax expense:			
	(1) Current tax			
	- For the year		9.09	-
	- For earlier years (net)		-	-
	(2) Deferred tax (net)		12.85	(38.20)
	Total Tax Expense (VIII)		21.94	(38.20)
IX	Profit/(loss) for the period from continuing operation (VII - VIII)		39.21	(91.22)
X	Profit/(loss) from discontinued operations		-	-
XI	Tax Expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		39.21	(91.22)
XIV	Other Comprehensive Income			
	A. (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will be reclassified to profit or loss		-	-
			-	-
XV	Total Comprehensive Income for the period (XIII & XIV) (Comprising profit (loss) and other comprehensive income for the period)		39.21	(91.22)
XVI	Earnings Per Equity Share: (For Continuing Operation)			
	(1) Basic	21	0.04	(2.13)
	(2) Diluted		0.04	(2.02)
XVII	Earnings Per Equity Share: (For discontinued Operation)			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings Per Equity Share: (For discontinued and continuing Operations)			
	(1) Basic	21	0.04	(2.13)
	(2) Diluted		0.04	(2.02)

As per our Report of even date attached

For and on behalf of Ircan Shivpuri Guna Tollway Limited

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

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

(Deepak Sabhlok)
Chairman
DIN-03056457

(Anand Kumar Singh)
Director
DIN-07018776

(Ashok Kumar Goyal)
Director
DIN-05308809

(Masood Ahmad Najar)
Chief Executive Officer

(Pardeep Kumar Jain)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 28.07.2017

(Amount in Lakhs)

Particulars		For the year ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		61.15	(129.42)
Adjustment for :			
Interest Income		(61.15)	(7.34)
Operating Profit before working capital changes	(1)	0.00	(136.76)
Adjustment for :			
Decrease / (Increase) in Other Financial Current Assets		573.13	(1,436.25)
Decrease / (Increase) in Other Current Assets		(40.83)	(8.79)
(Decrease) / Increase in Other Current Financial Liability		(813.81)	1,907.43
(Decrease) / Increase in Other Current Liability		(44.40)	162.35
Cash generated from operation	(1+2)	(325.91)	487.98
Income Tax Paid		(130.93)	(2.30)
NET CASH FROM OPERATING ACTIVITIES	(A)	(456.84)	485.68
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditure on Intangible Assets & Intangible under Development		(26,412.30)	(655.96)
Purchase of Property Plant and Equipment		(0.85)	-
Capital Advances given during the year		-	(3,000.00)
Interest Received		61.15	7.34
NET CASH FROM INVESTING ACTIVITIES	(B)	(26,352.00)	(3,648.62)
CASH FLOW FROM FINANCING ACTIVITIES			
Share Capital		8,000.00	3,300.00
Share Application Money		-	3,700.00
Borrowings		16,265.00	-
Share Issue Expenses		(11.83)	(3.00)
NET CASH FROM FINANCING ACTIVITIES	(C)	24,253.17	6,997.00
Effect of Exchange Differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	-	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(A+B+C+D)	(2,555.67)	3,834.06
CASH AND CASH EQUIVALENT (OPENING)	(E)	3,834.06	-
Cash Balances		-	-
Balance with Banks		3,694.06	-
Short term investments		140.00	-
CASH AND CASH EQUIVALENT (CLOSING)	(F)	1,278.39	3,834.06
Cash Balances		-	-
Balance with Banks		125.54	3,694.06
Short term investments		1,152.85	140.00
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(F - E)	(2,555.67)	3,834.06

As per our Report of even date attached

For and on behalf of Ircon Shivpuri Guna Tollway Limited

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

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

(Deepak Sabhlok)
Chairman
DIN-03056457

(Anand Kumar Singh)
Director
DIN-07018776

(Ashok Kumar Goyal)
Director
DIN-05308809

(Masood Ahmad Najar)
Chief Executive Officer

(Pardeep Kumar Jain)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi
Date : 28.07.2017

Statement of changes in equity for the year ended 31-March-2017

(Amount in Lakhs)

Particulars	
A. Equity share capital	
Balance as at April 01, 2016	3,300.00
Add: Shares issued during the year	11,700.00
Balance as at March 31, 2017	15,000.00

B. Other Equity

(Amount in Lakhs)

Particulars	Share Application Money pending allotment	Retained Earnings	Total
Balance as at April 01, 2016	3,700.00	(94.22)	3,605.78
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	3,700.00	(94.22)	3,605.78
Profit for the year	-	39.21	39.21
Other Comprehensive Income(OCI)	-	-	-
Total Comprehensive Income	-	39.21	39.21
Dividends	-	-	-
Dividend Distribution Tax	-	-	-
Share issued during the year	(3,700.00)	-	(3,700.00)
Balance as at March 31, 2017	-	(55.01)	(55.01)

Statement of changes in equity for the year ended 31-March-2016

(Amount in Lakhs)

Particulars	Amount
A. Equity share capital	
Opening Balance	-
Add: Shares issued during the year	3,300.00
Balance as at March 31, 2016	3,300.00

B. Other Equity

(Amount in Lakhs)

Particulars	Share Application Money pending allotment	Retained Earnings	Total
Opening Balance	-	-	-
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	-	-
Profit for the year	-	(91.22)	(91.22)
Other comprehensive Income(OCI)	-	-	-
Total Comprehensive Income	-	(91.22)	(91.22)
Share Application Money pending Allotment	3,700.00	-	3,700.00
Any Other change(to be specified)	-	-	-
Balance as at March 31, 2016	3,700.00	(91.22)	3,608.78

As per our Report of even date attached

For and on behalf of Ircon Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.

Chartered Accountants

FRN 01292N

(CA G S Bhatnagar)

Partner

M. No. 081536

(Deepak Sabhlok)
Chairman
DIN-03056457(Anand Kumar Singh)
Director
DIN-07018776(Ashok Kumar Goyal)
Director
DIN-05308809(Masood Ahmad Najar)
Chief Executive Officer(Pardeep Kumar Jain)
Chief Financial Officer(Sakshi Mehta)
Company Secretary

Place : New Delhi

Date : 28.07.2017

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 pursuant to 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 New Delhi - 110017.

2. Summary of Significant Policies

(a) Basis of Preparation

i) Statement of Compliance

The financial statements as at and for year ended March 31, 2016 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 as read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016.

For all periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Account) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are company's first IND AS financial statements.

Refer to separate note no 36 for information on how the company has adopted Ind AS

ii) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except certain financial assets and liabilities measured at fair value (Refer Note No. 36 & 36.1 for details of item) as required by relevant Ind-AS.

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

iii) Use of estimates and judgment

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

Critical accounting estimates and judgments:

- Fair value measurement of financial Instrument
- Useful life of property, plant and equipment & intangible assets

- Determination of percentage of completion in construction contract
- Impairment of Non-financial assets
- Impairment of financial assets
- Estimation of Deferred & Current tax

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

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

(b) Statement of Cash Flow

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

(c) Property, plant and equipment

1. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.
2. The machinery spares which can be used only in connection with an item of Property, Plant and Equipment and the use of which is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Property, Plant & Equipment.
3. Cost of asset includes the following-
 - a) Cost directly attributable to the acquisition of the assets.
 - b) Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto.
 - c) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
4. Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalized if the recognition criteria are met.
5. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.
6. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress. Expenses directly attributable to project, prior to commencement of commercial operation, are considered as project development expenditure and shown under Capital Work-in-Progress.

Depreciation

Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

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

The estimated useful life of assets for current period of significant items of property plant and equipment are as follows:

Particulars	Useful Life
Computers	3-6

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate

Property plant and equipment acquired during the year, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification.

(d) Intangible Assets and Intangible Assets under development

1. Intangibles Other than Toll Collection Right

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

Amortization of Intangible Assets

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

The estimated useful life of intangible assets is as follows:

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

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

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

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

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

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

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

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

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

(e) Cash and cash Equivalent

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

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

(f) Provisions

Provision is recognized when:

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

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

Provisions are reviewed at each Balance Sheet date.

Discounting of Provisions

Provision recognized above which are expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks

specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

(g) Revenue Recognition

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

Operating Revenue

Construction Contract Revenue under SCA

Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, when the outcome of construction contract can be measured reliably, and where the outcome of construction contract cannot be measured reliably revenue is recognized only to the extent of contract cost incurred that is probable will be recoverable.

Toll Revenue

Toll revenue is recognized in respect of toll collected at toll road and attributable share of revenue from prepaid cards.

Other Revenue Recognition

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

Interest income is recognized taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

(h) Impairment of non-financial assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. At each reporting date company assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

(i) Borrowing Cost

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

(j) Employee Benefits

1. Short Term Employee Benefits

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

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

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

(k) Leasing-

1. Company as a lessee

Finance Lease:-

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

Operating Lease:-

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

(l) Current income tax

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

(m) Deferred tax

- i. Deferred income tax is recognized using balance sheet approach.
- ii. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- iii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iv. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be

utilized.

- v. Deferred tax related to OCI Item is recognized in Other Comprehensive Income (OCI).

(n) Operating Segment

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

(o) Earnings per Share

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

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

(p) Functional Currency

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

Transactions in foreign currency

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

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

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

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

(q) Contingent Liabilities and contingent Assets

Contingent Liabilities are disclosed in either of the following cases:

- i. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii. A reliable estimate of the present obligation cannot be made; or
- iii. A possible obligation, unless the probability of outflow of resource is remote

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

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

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

(r) Fair Value Measurement

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

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

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

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

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

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

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

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

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

(s) Dividend to equity holders

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

(t) Financial instruments:-

i. Initial recognition and measurement

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

ii. Subsequent measurement

Financial Assets

Financial assets are classified in following categories:

At Amortised Cost

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

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

At fair value through other comprehensive income (FVTOCI)

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

At Fair value through Profit & Loss (FVTPL)

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

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL.

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

Financial liabilities

Financial liabilities at Amortized Cost

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

Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

De-recognition

Financial Asset

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

Financial Liability

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

(u) Impairment of financial assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

(v) Standard issued but not yet effective for the Financial Year 2016-17

a) IND AS 115 Revenue from Contracts with Customers

MCA had notified IND AS 115 on Revenue from Contracts with Customers in Feb 2015. The standard establishes a new five step model that will apply to revenue arising from Contracts with customers. Under IND AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or

services to a customer. The principles in IND AS 115 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IND AS.

The effective date of IND AS 115 is annual periods beginning on or after 1st January 2018, with early adoption permitted. The Company is required to adopt the standard by the Financial Year commencing 1st April 2018. The Company is currently evaluating the requirements of IND AS 115 and has not yet determined the impact on the financial statements.

3 Property, Plant and Equipment

(Amount in Lakhs)

<u>Particulars</u>	<u>Computer Equipments</u>
<u>Cost or valuation</u>	
Opening Gross Carrying Amount at 12th May 2015	-
Additions during the year	-
Adjustment/Disposals	-
Closing balance at 31 March 2016	-
Addition during the year	0.85
Adjustment	-
Closing balance at 31 March 2017	0.85
 <u>Depreciation and impairment</u>	
Opening Gross Carrying Amount at 12th May 2015	-
Depreciation charge for the year	-
Impairment /Adjustment	-
Closing balance at 31 March 2016	-
Depreciation charge for the year	0.13
Impairment /Adjustment	-
Closing balance at 31 March 2017	0.13
 <u>Net book value</u>	
At 31 March 2017	0.72
At 31 March 2016	-

4 Non - Current Assets
Intangible Assets

(Amount in Lakhs)

Particulars	Softwares
Opening Gross Carrying Amount at 12th May 2015	-
Addition during the year	0.24
Adjustment	-
Closing balance at 31 March 2016	0.24
Addition during the year	-
Adjustment	-
Closing balance at 31 March 2017	0.24
Accumulated Amortisation and Impairment	
Opening Accumulated depreciation and Impairment at 12th May 2015	-
Amortisation (capitalised under Intangible assets under development)	0.24
Adjustment	-
Closing balance at 31 March 2016	0.24
Amortisation	-
Impairment	-
Adjustment	-
Closing balance at 31 March 2017	0.24
Net book value	
At 31 March 2017	-
At 31 March 2016	-

5 Intangible Assets under Development*

(Amount in Lakhs)

Particulars	Toll Collection Rights
Opening Gross Carrying Amount at 12 May 2015	-
Addition during the year	655.96
Adjustment	-
Closing balance at 31 March 2016	655.96
Addition during the year	29,412.43
Adjustment	-
Closing balance at 31 March 2017	30,068.39

Break up of Intangible asset under development

(Amount in Lakhs)

Particulars	As at 31 March 2017	31st March 2016
Opening Balance	655.96	-
Additions during the year:		
- Work Expenses	29,261.09	2,039.74
- Consultancy & Inspection Charges	-	27.01
- Employee Cost	68.59	19.27
- Insurance	19.08	2.34
- Legal & Professional	1.89	0.78
- Printing & Stationary	0.28	0.43
- Rent (Non Residential)	3.12	1.81
- Travelling & Conveyance	0.05	0.08
- Bank Guarantee & Other Charges	3.21	1.31
- Audit Fee	0.58	0.25
- Depreciation for the year	0.13	0.24
- Misc. Operating Exp.	0.04	0.03
- Hotel Expenses	0.02	-
- Inspection Geotech & Survey Expenses	88.73	-
- Internal Audit Fee	0.27	-
- Medical Examination Expenses	0.54	-
- Vehicle Hire charges	5.35	-
- Postage & Courier Expenses	-	-
- Recruitment Expenses	0.20	-
- Repair & Maintenance	0.04	-
- Service Tax	-	-
- Telephone Expenses	0.01	-
- Translation Expenses	0.01	-
- Tax on Non Monetary Perquisite	0.42	-
- Interest on Loan	188.83	-
- Deferred Tax Expenses	-	-
Total	29,642.48	2,093.29
Less:-		
Interest income on Mobilization advance	228.90	18.62
Interest on FD	1.15	-
- Recoverable from NHAI #	-	1,418.70
TOTAL	30,068.39	655.96

Provisionally incurred, Bills are yet not raised on NHAI, pending rate approval from NHAI

* Break-up of Intangible Under Development

Shivpuri Guna Highway

30,068.39

655.96

6 Deferred Tax Assets

Reconciliation of deferred tax net

Particulars	(Amount in Lakhs)	
	As at 31 March 2017	As at 31 March 2016
Deferred Tax Asset		
Provision for :		
-Provision for other expenses	25.35	33.81
Carry forwarded loss (FY 2015-16)	-	4.39
Total Deferred Tax Asset	25.35	38.20

Movement in deferred tax liability/ (asset)

Particulars	(Amount in Lakhs)		
	Carry Forward of Losses	Provision for other expenses	Total
Opening balance at 12th May 2015	-	-	-
Charged/(credited) during 2015-16			
To Profit & Loss	4.39	33.81	38.20
To other comprehensive income	-	-	-
Closing balance as at 31 March 2016	4.39	33.81	38.20
Charged/(credited) during 2016-17			
To Profit & Loss	(4.39)	(8.46)	(12.85)
To other comprehensive income	-	-	-
Closing balance as at 31 March 2017	-	25.35	25.35

Income tax recognised in profit and loss

Particulars	(Amount in Lakhs)	
	As at 31 March 2017	As at 31 March 2016
Current income tax:		
Current income tax charge	9.09	-
Adjustment: Earlier Years	-	-
Deferred tax:		
In respect of the current year	12.85	(38.20)
In respect of MAT payable	-	-
Total	21.94	(38.20)

Reconciliation between tax expense and the accounting profit :

Particulars	(Amount in Lakhs)	
	As at 31 March 2017	As at 31 March 2016
Accounting profit before tax from continuing operations	61.15	(129.42)
Accounting profit before income tax	61.15	(129.42)
At India's statutory income tax rate of (31 March 2016: 30.9%)	18.90	(39.99)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	3.04	2.72
Less :Expenses Disallowed	-	-
At the effective income tax rate of 30.9%	21.94	(37.27)
Income tax expense reported in the statement of profit and loss (relating to continuing operations)	21.94	(38.20)
	21.94	(38.20)

Non - Current Assets

7 Other Non-Current Assets

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Capital Advances		
Unsecured, considered good		
Advance to IRCON	-	3,000.00
Total	-	3,000.00

8 Current Assets- Financial Assets

8.1 Cash and Cash equivalents

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balances with banks:		
Earmarked Funds		
- On current accounts	125.54	3,694.06
- Deposits with original maturity of less than three months	1,152.85	140.00
Total	1,278.39	3,834.06

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

8.2 Other Financial Assets

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Interest accrued but not due on Fixed Deposits	0.14	0.74
Interest accrued but not due on Other Recoverable	-	16.76
Interest accrued -Staff Advance	0.29	-
Other Recoverables- NHAI	862.69	1,418.75
Total	863.12	1,436.25

9. Current Tax Assets (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Current Tax Asset		
Tax deducted at source & Advance Tax	133.23	2.30
Less: Direct Tax payable	9.09	-
Total	124.14	2.30

10 Other Current Assets

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
a) Others		
Fair valuation adjustment-Financial Assets	-	-
Prepaid Expenses	6.66	8.79
Vat Receivable - NHAI	42.96	-
Total - Others	49.62	8.79

11 Equity Share capital

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Authorized share capital		
15,00,00,000 Equity shares of Rs.10 each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued/Subscribed and Paid up Capital		
		3,300.00
11,70,00,000 Equity shares of Rs 10 each-fully paid & 3,30,00,000 Equity shares of Rs10 each-fully paid	15,000.00	
	15,000.00	3,300.00

11.1 Details of shareholders holding more than 5% share in company

(Amount in Lakhs)

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No of shares	% holding in the class	No of shares	% holding in the class
Ircon International Limited- Holding Company (IRCON)	15,000.00	100%	330.00	100%
Total	15,000.00	100%	330.00	100%

11.2 Shares issued other than cash

No bonus shares issued during the period

11.3 Reconciliation of the number of equity shares and share capital

(Amount in Lakhs)

Particulars	As at 31 March 2017	
	No of shares	Rs
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the period	330	3,300
Add: Shares Issued during the period	1,170.00	11,700.00
Issued/Subscribed and Paid up equity Capital outstanding at the end of the period	1,500.00	15,000.00

Reconciliation of the number of equity shares and share capital

In Lakhs

Particulars	As at 1 April 2016	
	No of shares	Rs
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the period	-	0
Add: Shares Issued during the period	330.00	3,300.00
Issued/Subscribed and Paid up equity Capital outstanding at the end of the period	330.00	3,300.00

11.4 Terms/rights attached to shares

a) Voting

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

b) Dividends

No dividend is proposed as Company has not yet commenced commercial operations.

c) Liquidation

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

12 Other Equity

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Retained Earnings	(66.84)	(94.22)
Share Application Money Pending Allotment	-	3,700.00
Total	(66.84)	3,605.78

12.1 Retained Earnings

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Opening Balance	(94.22)	-
Add: Profit transferred from Profit & Loss A/c	39.21	(91.22)
Less: Fees paid for increase in paid up capital	11.83	3.00
Less: Transfer to General reserve	-	-
Closing Balance	(66.84)	(94.22)

12.2 Share Application Money Pending Allotment

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Opening Balance	3,700.00	-
Addition during the year	-	7,000.00
Shares issued during the year	(3,700.00)	3,300.00
Closing Balance	-	3,700.00

No. of shares that have to be issued	370.00
Period before which such shares are to be issued	
Whether the company has sufficient authorized capital	Yes

13.1 Other Non-Current Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Unsecured Loans		
(a) Loan from Holding Company(Ircon International Limited)	16,265.00	-
Closing Balance	16,265.00	-

*** Terms & Conditions of Loans**

i) A Term Loan of Rs. 722.11 crore has been taken by the company from the its holding company Ircon International Limited for meeting the total project cost as per the terms and condition of the agreement, out of which Rs. 162.65 crore has been disbursed by Ircon International Limited up to 31st March 2017.

ii) Interest Terms

The Applicable Interest rate is applicable base rate of SBI plus spread of 0.5%.

iii) Terms of Repayment

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

iv) Terms of security for loan are as follows:

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

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

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

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

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

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

14 Other Current Financial Liabilities

Particulars	(Amount in Lakhs)	
	As at 31 March 2017	As at 31 March 2016
Staff	-	-
Deposits, Retention money	-	-
a) Related Party		
-Irocon International Limited	178.75	1,904.07
b) Other Payables	889.75	3.13
c) Statutory Audi Fees Payable	0.53	0.23
d) Internal Audit Fees Payable	0.15	-
e) Interest on Loan	-	-
f) NHAJ - Independent Engineers	24.43	-
Total	1,093.62	1,907.43

15 Other Current Liabilities

Particulars	(Amount in Lakhs)	
	As at 31 March 2017	As at 31 March 2016
Statutory Dues Payable		
Labour Cess Payable	32.67	20.40
MP VAT Payable	8.17	40.79
Income Tax -TDS payable	77.07	101.13
Professional Tax Payable	0.01	0.03
PF Deduction Payable	0.03	
Total	117.95	162.35

16 Revenue From Operations

(Amount in Lakhs)

Particulars	For the year ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
Construction Contract revenue		
Construction Contract revenue under SCA (Refer Note 31)	29,412.43	655.96
Total	29,412.43	655.96

17 Other Income

(Amount in Lakhs)

Particulars	For the year ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
Bank Interest (Gross)	61.15	7.34
Total	61.15	7.34

18 Construction Expenses

(Amount in Lakhs)

Particulars	For the year ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
Construction Expenses	29,412.43	655.96
Total	29,412.43	655.96

19 Depreciation, amortization and impairment

(Amount in Lakhs)

Particulars	For the year ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
Property, Plant and equipment	0.13	-
Intangible Assets	-	0.24
Total	0.13	0.24
Less: Capitalized	0.13	0.24
Total	-	-

(Amount in Lakhs)			
Particulars	Foot Note	For the period ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
Preliminary Expenses Written off		-	136.76
Total		-	136.76

Payment to Statutory Auditors:

(Amount in Lakhs)			
Particulars		For the year ended 31st March 2017	For the period from 12th May 2015 to 31st March 2016
(l) Audit Fee - current year		0.53	0.23
Total		0.53	0.23

21 Earnings per share (EPS)

(Amount in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March 2016
Basic EPS	0.04	(2.13)
Diluted EPS	0.04	(2.02)

Basic EPS

(Amount in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March 2016
Profit attributable to equity holders:		
Continuing operations	39.21	(91.22)
Discontinued operation	-	-
Profit attributable to equity holders for Basic Earning Per Share	39.21	(91.22)
Interest on convertible preference shares	-	-
Profit attributable to equity holders adjusted for the effect of dilution	39.21	(91.22)

Diluted EPS

(Amount in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March 2016
Weighted average number of Equity shares for basic EPS*	1,031	42.92
Effect of dilution:		
Share Application Money pending Allotment	-	2.28
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution*	1,031	45.20

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

22. Details of Related Party Transactions during the year

(Amount in Lakhs)

Name of Related Party	Particular	Transactions (Rs.)		Outstanding Amount	
		2016-17	2015-16	As at 31 March 2017	As at 31 March 2016
	Investment in Equity	11,700.00	3,300.00		
	Loans	16,265.00	-	16,265.00	0
	Other Payables			178.75	1,904.07
	Rendering of services				
Irrcon International Limited	Works Contract	2,926.11	1920.92		
	Utility Shifting	1,044.48	141.87		
	Rent	2.42	1.65		
	Interest On Loan	188.83	0		
	Interest On Mobilization Advance	228.90	18.62		
	Reimbursement of Expenses	26.13	178.60		

23 The company was incorporated on 12th May 2015, as a wholly owned subsidiary of Ircon International Limited

24 This being the second year, since incorporation, figures for the year ended 1st April 2015 are not available for disclosure.

25 Contingent Liabilities :

Contingent liability consists of amounts not provided for:

Claims against the company not acknowledged as debt Nil (Previous year Nil) excluding the amount of provision for contingent liability.

Commitment: The Company has Rs 34318 lakhs (Previous Year Rs 63579 Lakhs) as Capital Commitment towards construction of Shivpuri Guna Highway. Other Commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

26 The Company has not engaged any supplier so far so there is no transaction under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Based on this information, there are Nil (Previous Year NIL) due to Micro, Small and Medium Enterprises as on 31st March 2017

The company has not engaged any supplier of small scale industrial unit. Based on this information, amount due to small scale industrial undertaking, which is outstanding for more than 30 days as on 31st March 2017 is NIL (Previous year NIL)

27 There are NIL (Previous year NIL) cases of imports and foreign currency expenditure incurred during the year and therefore the disclosure of the CIF value of the imports and foreign currency expenditure is not applicable.

28 As per clause 11 of Concession Agreement entered with NHAI the Company need to undertake the work of shifting of utility including electric lines, water pipes and telephone cables, if such utility cause a material adverse effect on the construction, operation and maintenance of the project. The cost of shifting of such utility shall be borne by the Authority (NHAI) or by the entity owing the utility

29 Employee Benefits (Disclosure under IndAS 19)

The employees working for Ircon Shivpuri Guna Tollway Limited 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 IndAS 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.

30 Operating Segments (Disclosure under IndAS 108)

The Company has objective to carry on the business of Shivpuri Guna Section of NH-3, and limited to the said work, and has no diversification in the business. The Company has single business and geographical segment.

Ircon Shivpuri Guna Tollway Limited

Note 31 (a) Service Concession Arrangements (SCA)

Public to private service concession arrangements are recorded in accordance with Appendix "A"- Service Concession Arrangements (Ind AS-11). Appendix "A" is applicable if:

- a) The Grantor controls or regulates which services the operator should 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.

If both of the above conditions are met simultaneously, 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) has entered into 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.

Company has recognized revenue of Rs. 29,473.58 lakhs (previous year 663.30 lakhs) consisting of 29412.43 lakhs (previous year 655.96 lakhs) on construction of intangible assets under service concession agreement. 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 company have not recognised any revenue from operation of toll roads since the construction of line is in process. The revenue shall be booked once the operation of line is commenced. The company has recognized receivable under service concession arrangement measured initially at fair value and subsequently at amortised cost as at 31st March 2017.

Construction Contracts

In terms of the disclosure required in Ind AS -11 Construction Contracts as notified in the companies (Indian Accounting Standard) rules 2016, the amount considered in the financial statements up to the balance sheet date are as follows:-

Particulars	(Amount in Lakhs)	
	31.03.2017	31.03.2016
Contract Revenue Recognized	29,412.43	655.96
Aggregate amount of cost incurred and recognized in Profit/Loss	29,412.43	655.96

Note 31 (b): As per Concession Agreement entered with NHAI, Company need to under take the work of shifting of utility including electricity lines, water pipes and telephone cables, if such utility cause a material adverse effect on the construction, operation and maintenance of the project. The cost of shifting of such utility shall be born by the Authority (NHAI) or by the entire owing the utility.

Company has subcontracted the entire work of utility shifting to Ircon International Limited (IRCON) on back to back basis after approval from NHAI up to March 2017, Ircon International Limited has billed amount of Rs 335.00 lakhs (Previous Year 1,418.00 lakhs) to the company. NHAI given credit Rs 2,463.00 lakhs Balance amount not claimed by IRCON is shown as current liability.

32 Capital Management

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

Company has taken a term loan during the FY 2016-17 of Rs 16,265.00 lakhs from its holding company to finance its project.

33 Financial Instruments

(Amount in Lakhs)

(i) Financial Instruments by Category

Particulars	As at 31 March, 2017			As at 31 March 2016		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
Cash & Cash Equivalents	-	-	1,278.39	-	-	3,834.06
Other Financial Assets	-	-	863.12	-	-	1,436.25
Total Financial Assets	-	-	2,141.51	-	-	5,270.31
Financial Liabilities						
Borrowings	-	-	16,265.00	-	-	-
Other Financial liabilities	-	-	1,093.62	-	-	1,907.43
Total Financial Liabilities	-	-	1,093.62	-	-	1,907.43

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

- Long term variable rate borrowings are evaluated by company on parameters such as interest rates, specific country risk factors and other risk factors. Based on this evaluation the fair value of such payables are not materially different from their carrying amount.
- The fair value of the Cash & cash equivalents, other financial assets and other financial liabilities are considered to be equivalent to their carrying values.
- For financial assets and Liabilities that are measured at fair value, the carrying amount are equal to the fair values.

ii) Financial risk management

The Company's principal financial liabilities borrowing and other financial liabilities. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets include cash and cash equivalents and recoverable from NHAI that derive directly from its operations. The Company's activities expose it to a variety of 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 Interest rate risk. Financial instruments affected by market risk includes trade receivables, trade payable and other non derivative financial instruments.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments.

c) 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.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2017 & 31 March, 2016

Particulars	As on 31 March,2017		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	5,000.00	7,000.00	4,265.00
	5,000.00	7,000.00	4,265.00
Particulars	As on 31 March,2016		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	NIL	NIL	NIL

34 Key sources of Estimation uncertainty

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities are measured using the valuation techniques including DCF model. The inputs to these methods are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required for arriving at fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b) Taxes

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

35 Disclosure on Specified Bank Notes from 08-11-2016 to 30-12-2016 (SBN)

The company did not have any specified bank note or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated 31.03.2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08-11-2016 to 30-12-2016. The denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

For the purpose of this clause, the term "Specified Bank Note" shall have the same meaning as provided in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs No. S.O. 3407 (E) dated 08-11-2016.

Note: Ircon Shivpuri Guna Tollway Limited makes payment through Cheque/Neft and not dealing with cash.

Ircon Shivpuri Guna Tollway Limited
Note 36 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first which the company has prepared in accordance with Ind-AS. For periods up to and including the period ended 31 March 2016, the company prepared its financial statements in accordance with the Indian GAAP, including accounting standards notified under the companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly the company has prepared financial statements which comply with Ind-AS applicable for the periods on or after the 31 March 2016, together with the comparative period data as at and for the period ended 31 March 2016, as described in the summary of the significant accounting policies, This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements as at and for the year ended 31 March 2016.

Exemptions applied

Ind-AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS, however company was incorporated after 01.04.2015, therefore company has not availed any exemption and exceptions as per IndAS 101 for first time adoption to IndAS

Reconciliation of Equity as at 31st March 2016

(Amount in Lakhs)

Particulars		Foot Notes	INDIAN (GAAP)	Adjustments	IND AS
I.	ASSETS				
1	Non-current assets				
	(a) Property, Plant and equipment		-	-	-
	(b) Other Intangible assets		-	-	-
	(c) Intangible assets under development	1	674.59	(18.63)	655.96
	(d) Financial Assets		-	-	-
	(i) Others		-	-	-
	(e) Deferred tax assets (Net)	2	37.19	1.01	38.20
	(f) Other non-current assets		3,000.00	-	3,000.00
			3,711.78	(17.62)	3,694.16
2	Current assets				
	(a) Financial Assets				
	(i) Cash and cash equivalents		3,834.06	-	3,834.06
	(ii) Bank Balances other than (iii) above		-	-	-
	(iv) Others		1,436.25	-	1,436.25
	(b) Current Tax Assets		2.30	-	2.30
	(c) Other current assets		8.79	-	8.79
			5,281.40	-	5,281.40
	Total Assets		8,993.18	(17.62)	8,975.56
II.	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share Capital		3,300.00	-	3,300.00
	(b) Other Equity	1,2,3,4	3,623.39	(17.61)	3,605.78
			6,923.39	(17.61)	6,905.78
2	Liabilities				
(i)	Non-current liabilities				
(ii)	Current liabilities				
	(a) Financial Liabilities				
	(i) Other financial liabilities		1,907.43	-	1,907.43
	(b) Other current liabilities		162.35	-	162.35
	(c) Provisions		-	-	-
	(d) Current Tax liability (Net)		-	-	-
			2,069.78	-	2,069.78
	Total Equity and Liabilities		8,993.17	(17.61)	8,975.56

Previous year GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total comprehensive income for the year ended 31st March 2016

(Amount in Lakhs)

Particulars		Foot Notes	INDIAN (GAAP)	Adjustments	IND AS
I.	Revenue :				
	Revenue from operations	1	-	655.96	655.96
II.	Other income	2	25.96	(18.62)	7.34
III.	Total Income (I + II)		25.96	637.34	663.30
IV.	Expenses:				
	Operating and administrative expenses :				
	- Operating Expenses		-	-	-
	- Administrative Expenses		-	-	-
	Employee benefits expenses		-	-	-
	Contract Cost	1	-	655.96	655.96
	Depreciation, amortization and impairment		-	-	-
	Other Expenses	4	139.76	(3.00)	136.76
	Total Expenses (IV).		139.76	652.96	792.72
V.	Profit/(loss) Before exceptional items and Tax (I - IV)		(113.80)	(15.62)	(129.42)
VI.	Exceptional items		-	-	-
VII.	Profit/(Loss) before tax (V - VI)		(113.80)	(15.62)	(129.42)
VIII.	Tax expense:				
	(1) Current tax				
	- For the year		-	-	-
	- For earlier year (net)		-	-	-
	(2) Deferred tax (net)	3	(37.19)	(1.01)	(38.20)
	Total Tax Expense (VIII)		(37.19)	(1.01)	(38.20)
IX.	Profit/(loss) for the period from continuing operation (VII - VIII)		(76.61)	(14.61)	(91.22)
X.	Profit/(loss) from discontinued operations		-	-	-
XI.	Tax Expense of discontinued operations		-	-	-
XII.	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-	-
XIII.	Profit/(loss) for the period (IX+XII)		(76.61)	(14.61)	(91.22)
XIV.	Other Comprehensive Income				
	A. (i) Items that will not be reclassified to profit and loss		-	-	-
	(ii) Income Tax relating to Items that will not be reclassified to profit and loss		-	-	-
	B. (i) Items that will be reclassified to profit and loss		-	-	-
	(ii) Income Tax relating to Items that will be reclassified to profit and loss		-	-	-
	Other Comprehensive Income		-	-	-
XV.	Total Comprehensive Income for the period (XIII +XIV) (Comprising profit (loss) and other comprehensive income for the period)		(76.61)	(14.61)	(91.22)
XVI.	Earnings Per Equity Share: (For Continuing Operation)				
	(1) Basic		(1.78)	(0.35)	(2.13)
	(2) Diluted		(1.69)	(0.33)	(2.02)
XVII.	Earnings Per Equity Share: (For discontinuing Operation)				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-
XVIII.	Earnings Per Equity Share: (For discontinued and continuing Operation)				
	(1) Basic		(1.78)	(0.35)	(2.13)
	(2) Diluted		(1.69)	(0.33)	(2.02)

Previous year GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Impact of Ind-AS on the Cash flow for the year ended 31st March 2016

(Amount in Lakhs)

Particulars	Notes	INDIAN (GAAP)	Adjustments	IND AS
Net Cash From Operating Activities	5	-2,496.81	-2,982.49	485.68
Net Cash From Investing Activities	5	-666.13	2,982.49	-3,648.62
Net Cash From Financing Activities		6,997.00	-	6,997.00
Net Decrease In Cash & Cash Equivalent		3,834.06	0.00	3,834.06
Cash & Cash Equivalent as at 1st April 2015			-	
Cash & Cash Equivalent as at 31st March 2016		3,834.06	-	3,834.06

Notes to Reconciliation

Note 1 :- Ircon Shivpuri GunaTollway Limited (IrconSGTL) has entered in to service concession arrangement with NHAI, for four laning of highway between Shivpuri and Guna which is covered under appendix A of Ind AS 11-Service concession arrangements. Accordingly company has recognized contract revenue of Rs. 655.96 Lakhs in accordance with Appendix A of the Ind AS-11 and the same has been recognized as contract cost for the FY 2015-16. This difference does not have impact in equity or total comprehensive income.

Note 2:- In previous GAAP Interest income of Rs. 18.62 Lakhs were credited to profit and loss account, however under IndAS company has recognized Interest income of Rs. 18.62 Lakhs on Mobilization advance in Intangible assets under development instead of Interest Income since interest earned on mobilization advance during the construction period of project relates to construction activity. This has resulted in decrease in total comprehensive income of Rs. 18.62 lakh and total equity by Rs. 18.62 lakh.

Note 3:- As per Ind AS-12 "Income Taxes" require the recognition of deferred tax using the balance sheet approach which focusses on differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Company has recognized deferred tax asset of Rs. 37.19 lakhs in the Statement of Profit & Loss A/c. Company has also recognized deferred tax asset on carry forward loss for the FY 2015-16. This has resulted in increase in total equity of Rs. 100.90 Lakhs and total comprehensive income by same amount.

Note 4:- As per Ind-AS 32 Share issue expenses is to recognised in equity, therefore Rs 3.00 lakhs has been recognised in other equity, which result in to decrease in other equity and other expense by Rs 3.00 lakhs.

Note 5:- There is no difference in net cash flow, differences is operating activities and investing is due to reclassification of Previous GAAP figures as per Ind-AS.

As per our Report of even date attached

For and on behalf of Ircon Shivpuri Guna Tollway Limited

For C S Bhatnagar & Co.
Chartered Accountants

FRN 01292N

(Deepak Sabhlok)
Chairman
DIN-03056457

(Anand Kumar Singh)
Director
DIN-07018776

(Ashok Kumar Goyal)
Director
DIN-05308809

(CA G S Bhatnagar)

Partner

M. No. 081536

(Masood Ahmad Najar)
Chief Executive Officer

(Pardeep Kumar Jain)
Chief Financial Officer

(Sakshi Mehta)
Company Secretary

Place : New Delhi

Date : 28.07.2017

Statutory Auditors

Report

(FY: 2016-17)

C. S. Bhatnagar & Co.
CHARTERED ACCOUNTANTS

G.S. Bhatnagar (FCA)
PARTNER

Y.S. Bhatnagar (FCA)
PARTNER

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
IRCON SHIVPURI GUNA TOLLWAY LIMITED, NEW DELHI**

1. Report on the financial statements

We have audited the accompanying Ind AS financial statements of IRCON SHIVPURI GUNA TOLLWAY LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS:

- (a) of the state of affairs of the Company as at March 31st 2017,
- (b) its profit/loss for the year ended on that date,
- (c) its cash flows for the year ended on that date and Changes in equity for the year ended on that date:

5. Other Matters

The comparative financial information of the company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended 31st March 2016, dated 20th of June 2016 expressed an unmodified opinion on those financial statement, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

6. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (1) As required by the Companies (Auditor's Report) Order, 2017 ("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 A**" a statement on the matters specified in paragraphs 3 of the Order.
- (2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The report on the accounts of the branch office of the company , which are required to be audited under section 143(8) of the Act by branch auditors, are not applicable to the company.
- d) The Balance sheet and the statement of Profit & Loss and statement of changes in Equity dealt with by this report are in agreement with the books of account.
- e) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) In our opinion, the aforesaid Ind AS financial statement have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the company.
- g) Being a Government company section 164(2) pertaining to disqualification of directors is not applicable to the company.
- h) There is no qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected there with.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- j) 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 explanation given to us:
 - a) The Company does not have any pending litigations which impact it’s financial position.
 - b) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - c) The company has provided requisite disclosures regarding Specified bank notes deposited during demonitisation period.
 - d) The company has provided requisite disclosures in Note 35 to these Ind AS Financial Statements as to the holding of specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealing in specified Bank Notes during the period from November 8, 2016 to December 30,2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company and a

produced to us by the management.

- (3) As required by Section 143(5) of the Act and as per directions and sub-directions issued by comptroller and Auditor General of India, we report that:
- a. The company is in its initial stage and it has no leasehold/ freehold land in its books. Hence, no reporting is required.
 - b. There is no case of wavier/ write off of debts /loans/interest etc. hence no reporting is required.
 - c. The company does not have any inventory during the reporting period; hence reporting of inventories lying with third parties and assets received as gift/ grant(s) from Government or other authorities is not applicable to the company.

For and behalf of
C.S Bhatnagar & Co.
Chartered Accountants
FRN- 001292N

CA G S Bhatnagar
Partner
M.No.81536

Date: 28.07.2017
Place: Delhi

royalty, wealth tax, provident fund, excise duty and cess matters that have not been deposited on account of dispute as on 31.3.2017.

Rupees				
Name of the statute	Nature of disputed Dues	Amount outstanding	Period to which the amount relates	Forum where dispute is pending
NIL				

- c. The Investor Education & Protection Fund is not applicable to the Company.
- viii. The Company has taken a unsecured loan from Holding Company during the current financial year and its repayments are not yet due.
- ix. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- x. According to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
- xi. The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
- xii. According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.
- xiii. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xiv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him, within the provisions of section 192 of the Companies Act, 2013.
- xv. The Company is not a Non-banking finance company, hence registration under section 45-IA of the Reserve Bank of India Act, 1934 does not arise.

For C S Bhatnagar & Co.
Chartered Accountants
FRN 001292N

CA G S Bhatnagar
Partner
M.No.81536

Date: 28.07.2017
Place: Delhi

“Annexure B” to the Independent Auditor’s Report of even date on the financial statements of IRCON SHIVPURI GUNA TOLLWAY LIMITED

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

We have audited the internal financial controls over financial reporting of Ircon Shivpuri Guna Tollway Limited as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
C S Bhatnagar & Co.
Chartered Accountants
FRN -001292N

CA G S Bhatnagar
Partner
M.No.81536

Date: 28.07.2017
Place: Delhi

C&AG Comments

FY: 2016-17

**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 2017**

The preparation of financial statements of **IRCON SHIVPURI GUNA TOLLWAY LIMITED** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 July 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **IRCON SHIVPURI GUNA TOLLWAY LIMITED** for the year ended 31 March 2017 under Section 143 (6) (a) of the Act.

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

Place: New Delhi
Dated: 20 September 2017

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



**IRCON SHIVPURI GUNA TOLLWAY LIMITED (IrconSGTL)
(A Wholly-owned Subsidiary of Ircon International Limited)**

CIN: U45400DL2015GOI280017

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