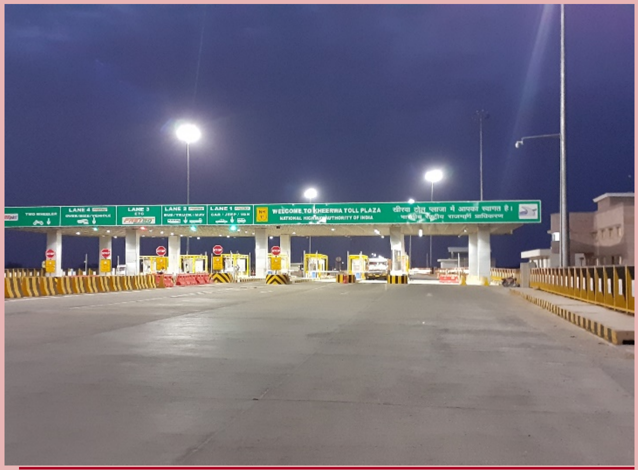
IRCON PB TOLLWAY LIMITED ('IrconPBTL')

(A Wholly-owned subsidiary of Ircon International Limited)

CIN: U45400DL2014GOI272220

SIXTH (6TH) ANNUAL REPORT
FY 2019-20



HIGHWAY PROJECT PARTNERING IN INDIA'S GROWTH

VISION

To establish and steer the Company towards development of the Project Highway, the Bikaner- Phalodi Section on NH-15, in the State of Rajasthan and ensuring the users of the project highway are benefitted thereof and achieving higher revenues from the constructed toll plazas and making the Company stand at par in delivering the expected project output within the optimum time period.

MISSION

I. Constructing through site planning, scheduling of project activities, leveling and laying the land, installing systems for measuring quality of construction.
II. Responsibly monitoring the implementation and operationalization 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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IRCON PB TOLLWAY LIMITED

Reference Information

KEY MANAGERIAL PERSONNEL

Shri Atul Kumar	: Chief Executive Officer
Ms. Meenakshi Garg	: Chief Financial Officer
Ms. Anuradha Kaushik	: Company Secretary

STATUTORY AUDITORS

A. N. Garg & Co.
Chartered Accountants

INTERNAL AUDITORS

H. K. Khanna & Co.
Chartered Accountants

SECRETARIAL AUDITORS

M/s S. Jindal & Associates
Company Secretaries

COST AUDITORS

Ravi Sahni & Co.
Cost Accountants

BANKERS

Indian Overseas Bank, New Delhi

CONTACT PERSON

Ms. Anuradha Kaushik
Company Secretary
E-mail: anuradha@ircon.org

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Shri Shyam Lal Gupta
Chairman

Shri Ashok Kumar Goyal
Director

Shri Rajendra Singh Yadav
Director

Ms. Bhuvaneshwari Krishnan
Director

CHAIRMAN'S ADDRESS

Dear Shareholders,

It gives me immense pleasure to present you the **Sixth (6th) Annual General Report** of Ircon PB Tollway Limited (IrconPBTL). The annual report, including the Ind AS Audited Financial Statements, Boards report, Auditor's report and the Non-Review Certificate (NRC) by the Comptroller and Auditor General of India ('CAG'), for the financial year ended 31st March, 2020 has been circulated to you.

About the Company

I would like to highlight to the esteemed members of this Company, that your Company entrusted with the execution of Bikaner-Phalodi Toll Road Projectfor four laning from km 4.200 to km 55.250 & two laning with paved shoulder from Km 55.250 to Km 163.500 of NH-15 on Build, Operate &Transfer (BOT) (Toll) basis in the State of Rajasthan, has commenced its Commercial Tolling Operations from February 2019.

The execution phase of the project has already been completed and the project has now entered into Operation and Maintenance (O & M) Phase viz.Commercial Tolling Operations from the date of Provisional CommercialOperations Date('Provisional COD').The project has started generating revenue from the three operational toll plazas located at Salasar, Nokhra and Kheerwa in the form of toll income.

Financial Performance

Your Company has for the financial year ended 31st March 2020 has recognizedrevenue from operationsviz. operating turnover ofRs.70.41 Cr. in terms of IndAS115 “Revenue from Contract with Customers”including Construction Contract Revenue under Service Concession Arrangement (SCA) in its statement of profit and loss.

The Company has incurred a Net Loss before tax of Rs.17.17 Cr.and Net Loss after tax of Rs.17.18 Cr. for the financial year ended 31st March 2020- due to project and other expenditure booked on account of works contract expenses incurred for the financial year ended 31st March 2020.

Compliances and Disclosures

Compliances and Disclosures under the Companies Act, 2013 and its associated rules thereunder are fully being adhered to. Further, being incorporated as Special Purpose Vehicle (SPV) of Ircon International Limited (i.e. Holding Company), the Company is exempted from complying with the Guidelines on Corporate Governance, issued by the Department of Public Enterprises (DPE).

Acknowledgement

I render sincere thanks and gratitude to the Holding Company, Ircon International Limited, Board Members, Auditors of the Company and the valued client of the Company i.e. NHAI for continuous support and cooperation extended to the Company and lending the financial and administrative support. I am also thankful for the whole-hearted support of the Banks, Comptroller & Auditor General of India(C&AG), Statutory Auditors, Cost Auditors and Secretarial Auditors. I, also sincerely place my appreciation for the good work done by all the employees at all levels of the Company.

Best Regards,

For and on behalf of
Ircon PB Tollway Limited

Sd/-
(Shyam Lal Gupta)
Chairman
DIN: 07598920

Date: 26.08.2020
Place: New Delhi

Directors' Report

FY: 2019-20

To the Members,
Ircon PB Tollway Limited

The Board of Directors of your Company take pleasure in presenting their Sixth (6th) Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March 2020.

A. BUSINESS OVERVIEW: PRESENT STATE OF AFFAIRS

Your Company, was incorporated on 30th September 2014 as a Wholly-owned Subsidiary ('WOS') by Ircon International Limited ('IRCON') for executing the project of "Widening and Strengthening of the existing Bikaner & Phalodi Section to Four lane from km 4.200 to km 55.250 and Two Lane with paved shoulder from Km 55.250 to Km 163.500 of NH-15 on Build, Operate, and Transfer (BOT) (Toll) basis in the State of Rajasthan, in accordance with the terms of the concession agreement signed with NHAI" as its main business object.

The Total Project Cost (TPC) which has been approved for Bikaner-Phalodi Project Execution is for the value of `844Crores, divided into:

1. Equity Share Capital: Rs.165 Crores
2. Debt Capital (Secured Loan): Rs.352 Crores and
3. NHAI Grant (Cash Support): Rs.327 Crores

As on 31st March 2020, the Authorized Equity Share Capital of the Company stands at Rs.175 Crores and the Paid-up Equity Share Capital stands at Rs.165 Crores. The Debt Capital (Long Term Borrowings) stands at the value of Rs.417.22 Crores.

The Bikaner-Phalodi Project Construction works have been completed.

<u>Project Commissioning</u>
(Commencement of Commercial Tolling Operations)

The project has now entered into Operation and Maintenance (O & M) Phase viz. Commercial Tolling Operations from the date of Provisional Commercial Operations Date ('Provisional COD') and has started earning toll income.

The said Provisional COD has been issued on 15th February 2019 for commencement of commercial tolling operations at the three toll plazas located at Salasar and Nokhra in Bikaner District and Kheerwa, in Jodhpur District, Rajasthan and accordingly, the revenue or toll collection is in progress at the three toll plazas.

<u>Toll Revenue</u>
On account of Commissioning of Project, the project has started earning income from toll operations ('toll income'), from all the three toll plazas. The revenue collection is in progress from the following dates:

Toll/Corridor Name	Date of Toll Revenue Started
1. Salasar (TP – 1)	20.02.2019
2. Nokhra (TP – 2)	22.02.2019
3. Kheerwa (TP – 3)	24.02.2019

B. FINANCIAL PERFORMANCE

As per the Ind AS Audited Financial Statements of your Company for the financial year ended 31st March 2020:

1. Paid-up Equity Share Capital remains the same for financial year ended 31st March 2020 at the value of Rs.165 Crores.

2. Total Borrowings (Secured Loan) of Company stand increased to the value of Rs.417.22 Crores as compared to previous year figure of 337.85 Crores. Further, the Company has recognized long-term borrowings (Non-Current Financial Liabilities) to the extent of Rs.379.29 Crores and short-term borrowings (Current Financial Liabilities) to the extent of Rs.37.93 Crores (classified on account of current maturities – repayable in next financial year).

   Your Company has incurred an interest expense of Rs.19.93 Crores for the financial year 2019-20 vis-à-vis an interest expense of Rs.25.22 Crores incurred for the financial year 2018-19 as finance / borrowing cost.

3. During the financial year 2019-20, your Company has recognized turnover (Revenue from Operations) of Rs.70.41 Crores, for the period ended 31st March 2020 including Construction Contract Revenue under Service Concession Arrangement (SCA), Revenue from Toll Operations and Other Operating Revenue, in terms of **Ind AS 115 "Revenue from Contract with Customers". The Company has measured contract revenue at the fair value of the consideration receivable viz. Revenue from Construction Services.**

4. Intangible Assets have been recognized at cost as the fair value of the service provided plus other direct costs directly attributable to the operation of the value of Rs.494.96 Crores and intangible assets under development have been recognized to the extent of Rs.16.94 Crores.

5. Company has made a Net Loss before tax of Rs.17.17 Crores and Net Loss after tax of Rs.17.18 Crores for the financial year ended 31st March 2020 - due to project and other expenditure booked on account of works contract expenses incurred for the financial year ended 31st March 2020.

SUMMARISED FINANCIAL POSITION AS ON MARCH 31, 2020		
		(Rs. in Crores)
Particulars	Standalone	
	Year ended 31 March 2020	Year ended 31 March 2019
	(Audited)	
Profit & Loss Position		**Amount in Rs.**
Revenue from Operations	70.41	356.07
Other Income	0.33	0.82
Total Income	**70.74**	**356.89**
Total Expenses	**87.91**	**359.71**
Net profit (loss) before tax	(17.17)	(2.82)
Net profit (loss) after tax	(17.18)	(2.11)
Total Comprehensive Income	**(17.18)**	**(2.11)**
Equity & Debt Position		
Equity Share Capital	165.00	165.00
Other Equity	(15.37)	1.81
Loan from Holding Company (Borrowings)	417.22	337.85
Earnings Per Share (For Continuing Operation)		
(Face Value of Rs 10/- each)		
(a) Basic (in Rs.)	(1.04)	(0.13)

SHAREHOLDING PATTERN

IrconPBTL is a wholly-owned subsidiary of Ircon International Limited ('IRCON'), and thereby its entire equity shareholding is held by its promoter company, IRCON, a Government of India Undertaking, under Ministry of Railways.

Presently, the Company is having paid-up equity share capital of Rs.165 Crores out of the authorized share capital of Rs.175 Crores, as previously indicated in the Capital Structure of Company, and 100% equity is held in the name of IRCON and its 8 nominee shareholders, as depicted below.

C. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report has been annexed to the Board's Report as **ANNEXURE – I.**

D. DIRECTOR'S & KEY MANAGEMENT PERSONNEL

BOARD OF DIRECTORS:

Pursuant to Article 49 of the Articles of Association (AOA) of the Company, the power to appoint directors in your Company is with the holding company, Ircon International Limited.

As on 31st March 2020, in terms thereof, the holding company has till date, nominated four Non-executive Nominee directors as Board of Directors of IrconPBTL:

Sl. No.	Directors	Date of Appointment	DIN

1.	Shri Shyam Lal Gupta Part-Time Chairman	1st November 2019	07598920
2.	Shri Ashok Kumar Goyal Part-Time Director	30th September 2014	05308809
3.	Shri Rajendra Singh Yadav Part-Time Director	3rd March 2017	07752915
4.	Ms. Bhuvaneshwari Krishnan Part-Time Director	19th September 2019	07486148

<u>DIRECTORS CEASED TO HOLD OFFICE DURING THE YEAR 2019-20</u>

(i) Ms. Anupam Ban, Part-Time (Director) upto 30th August 2019
(ii) Shri Anand Kumar Singh, Part-Time (Director) upto 4th September 2019
(iii) Shri Deepak Sabhlok, Part-Time (Chairman) upto 31st October 2019

<u>KEY MANAGEMENT PERSONNEL (KMP)</u>

Pursuant to Sec 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has three designated Key Management Personnel (KMP) viz. Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS), as follows:

KMP who ceased to hold office during the year:

(i) Shri Atul Kumar, CFO (upto 8th April 2019)
(ii) Shri M. K. Sharma, CEO, (from 8th April 2019 upto 31st May 2019)
(iii) Shri Sanjay Poddar, CFO, (upto 10th October 2019)
(iv) Shri Bhushan Kumar, CFO, (from 24th October 2019 upto 3rd February 2020)
(v) Ms. Shudodhani Sharma, Company Secretary, (upto 31st October 2019)

The KMP of the Company appointed during the FY2019-20 are Shri Atul Kumar, CEO (re-appointed w.e.f. 31st May 2019), Shri Manjur Mohammad Gouri, CFO (from 18th March 2020 upto 11th August 2020) and Ms. Anuradha Kaushik, CS (from 31st January 2020).

As on the date of this report, Ms. Meenakshi Garg has been appointed as the CFO of the Company (from 11th August 2020).

E. DIRECTOR'S RESPONSIBILTY 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 56 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.

F. INTER-CORPORATE LOANS & INVESTMENTS (SEC 185 & SEC 186)

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

G. EXTRACT OF ANNUAL RETURN – MGT – 9

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

H. RELATED PARTY TRANSACTIONS (RPT'S) 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.2 has been enclosed as **ANNEXURE - III.**

I. DIVIDEND & RESERVES

Since the Company has entered into Commercial Tolling Operations from February 2019 only, the Board of Directors has not proposed any dividend for the financial year 2019-20.

J. 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.

K. STATUTORY AUDIT & COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The Statutory Auditors appointed for the financial year 2019-20 were A.N. Garg & Company, Chartered Accountants, having registered office at 309-310, Aggarwal Millenium, Tower, Netaji Subhash Place, Pitampura, New Delhi -110034 There were nil qualifications in the Statutory Audit Report on the company's financial statements dated 24th July 2020.

For the Financial Year 2019-20, C&AG had decided not to conduct the supplementary audit of the financial statements of the Company for the period ended 31st March 2020 under section 143 (6) (a) of the Companies Act, 2013. In this reference, C&AG vide its letter no. Acs.Audit-IPBTL/65-04/2020-21 dated 28.08.2020, has issued a Non-Review Certificate (NRC) to the Company for the period 01.04.2019 to 31.03.2020.

L. MSME PROCUREMENT COMPLIANCE (FY 2019-20)

Your Company has during the financial year 2019-20 made procurement of Rs.58,221/- from MSME Vendors against the annual procurement target of Rs.50,000/-, in terms of compliance to Public Procurement Policy for MSE's; fulfilling the 20% procurement criteria of annual procurement target to be effected from MSE's.

M. DIRECTOR'S COMMENTS FOR FINANCIAL STATEMENTS & AUDITOR'S REPORT

The Financial Statements prepared for financial year ended 31st March 2020, reflect a true and fair view of the accounts and have been prepared in accordance with the applicable accounting standards and necessary measures have been adopted to streamline the accounting processes.

Your Directors have closely evaluated the said Financial Statements alongwith the Statutory Auditors Report including nil qualifications and noted the same.

N. ENVIRONMENT PROTECTION & CONSERVATION, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

During the construction of the highway in the financial year 2019-20, appropriate and adequate measures as stipulated by NHAI have been taken to ensure environment protection and conservation. Varied environmental laws relating to Environment Protection Act, Air and Water Pollution Control Acts, have been duly adhered to as part of conditions to be fulfilled by the Company as Concessionaire.

Foreign earnings and outflows are not applicable for Company being solely responsible for execution of BOT based project awarded by NHAI.

O. COMPLIANCES WITH SECRETARIAL STANDARDS

The Company has been in strict adherence to the Secretarial Standards issued by Institute of Company Secretaries of India (ICSI)

P. SECRETARIAL AUDIT & DIRECTOR'S COMMENTS ON SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Rule of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Shweta Jindal, Partner of M/s S Jindal & Associates (holding Associate Membership No. F10398 and Certificate of Practice (COP) No. 8879), Practising Company Secretary, had been appointed as the Secretarial Auditor of the Company for the financial year 2019-20.

The Secretarial Audit Report issued by the Secretarial Auditor for the financial year 2019-20 on compliance of applicable laws in the prescribed format MR-3 has been annexed as **ANNEXURE – IV.**

Q. INTERNAL FINANCIAL CONTROL SYSTEMS & ITS ADEQUACY

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).

Section 143 of the Companies Act, 2013 and the Companies (Auditor's Report) Order, 2016 provides for Auditors to mention in their Auditor's Report about the adequacy of internal financial controls existing in the Company commensuration with the size and nature of business.

Pertaining to the aforementioned matter, the Company has internal financial controls (IFC's) in all its material aspects as required in terms of the **Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India,** as equivalently stated in the Auditors Report issued for the financial year 2019-20. Further, all essential components of internal financial control have been found to be adequate.

Also, the Board of Directors of the Company had at their 35th BoD meeting held on 29th July 2019, reviewed the Internal Financial Controls (IFC) operating over financial reporting of the Company and noted that the Company has an adequate internal financial control system over financial reporting.

R. COST ACCOUNTING RECORDS & COST AUDIT REPORT

Your Company has duly commenced the process of maintaining Cost Accounting Records from the Financial Year 2019-20 and has appointed M/s Ravi Sahni & Co. as Cost Auditing Firm for the Financial Year 2019-20. Cost Audit Report for the said Financial Year has been issued by the Cost Auditing Firm.

This has been in due compliance to the provisions enumerated under Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and Companies (Audit and Auditors) Rules, 2014 for turnover on account of Ind AS Applicability having been recorded in the books of account of the Company.

S. RISK MANAGEMENT

In pursuance of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, and in compliance of Para 3.6 of Chapter 3 of the DPE Corporate Governance Guidelines, 2010, 'a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any', is required to form part of Board's Report.

Accordingly, since the Company is a **CONCESSIONAIRE COMPANY**, formed for execution of the Bikaner - Phalodi Project, the Risk Elements pertaining to the project have been identified as detailed below:

Risk Elements Relative to Project

Sr. No.	Risk Elements	Description
1.	**Traffic – Related Revenue Risk**	Revenue Potential from Commercial Traffic is high but subject to volatility in economic cycles.

T. DISCLOSURE ON EMPLOYEE REMUNERATION

Pursuant to Sec 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company was in receipt of remuneration of more than Rs.60 Lakh per annum or Rs.5,00,000/- per month.

U. REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance has been annexed to this Report as **ANNEXURE – V.** Further, the Certificate for Compliance with DPE Corporate Governance Guidelines, 2010 issued by **M/s S Jindal & Associates, Practising Company Secretaries**, is annexed as **ANNEXURE – V'A.**

V. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, & REDRESSAL) ACT, 2013

The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is applicable to every organisation having women employees. In case, the total number of employees in the organisation exceeds 10, constitution of 'Internal Complaints Committee' is required in terms of Section 4 of the said act.

In terms thereof, constitution of Internal Complaints Committee (ICC) under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was discussed at the 18th BoD meeting of IrconPBTL and it was decided to undertake its constitution on articulation of specific terms of reference and the modalities and procedure for its working.

W. GENERAL INFORMATION FOR SHAREHOLDERS

(i) Key Policies & Regulations:

The Company believes in following policies in line with those followed by Ircon International Limited – its Holding Company in terms of delegation of powers to Officers and authorising the personnel in their respective capacities.

The Power to Appoint Directors on the Board of the Company rests with the Holding Company – Ircon except additional, alternate or causal directors. Further, the Chairman of the Company in terms of Article 59 of the Articles of Association of the Company reserves for the decision of the Holding Company – Ircon any important issues that may be felt by Chairman to be decided by the Holding Company.

(ii) Audited 'IND AS Financial Statements':

The Audited IND AS Financial Statements of the Company comprising the Balance Sheet as on 31st March 2020, the Statement of Profit and Loss for the year ended 31st

March 2020, Statement of Changes in Equity, summarized Significant Accounting Policies, notes to accounts and other explanatory information, was approved by the Board of Directors at their 42nd BoD meeting held on 24th June 2020 as provided in this Annual Report.

(iii) CEO and CFO Certification:

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have certified that the Financial Statements of the Company reflect a true and fair view of the Company's Affairs and contains all material information. The said certificate has been attached as **ANNEXURE – VI.**

For and on behalf of Board of Directors
of Ircon PB Tollway Limited

sd/-
Shyam Lal Gupta
Chairman
DIN: 07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE – I

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 alongwith 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 Bikaner-Phalodi Section (NH-15) in the State of Rajasthan 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 PB 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.
(iii) Land encumbrance issue also results in delay in handing over of land by the authority - NHAI to the Concessionaire Company.

(iii) 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.

(iv) 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.

(v) Discussion on Financial Performance w.r.t Operational Performance

The Company has now entered into Operation and Maintenance Phase, viz. Commercial Tolling Operations, and has started earning toll revenues from February 2019 – date of Provisional Commercial Operations Date ('Provisional COD').The work of Bikaner Phalodi Highway Project has been completed and it is under process of issuance of COD by NHAI. Further, the revenue generated from toll operations from February 2019 till 31st March 2020 is Rs.49.86 Crores. The collection of revenue has been affected due to COVID-19.

For and on behalf of Board of Directors
of Ircon PB Tollway Limited

Sd/-
Shyam Lal Gupta
Chairman
DIN: 07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE – II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	U45400DL2014GOI272220
2.	**Registration Date**	30th September 2014
3.	**Name of the Company**	Ircon PB 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 Bikaner-Phalodi Section (NH-15) in the State of Rajasthan: 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	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	IRCON INTERNATIONAL LIMITED	L45203DL1976GOI008171	HOLDING COMPANY	100% *	Sec 2(46)

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

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

A) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.**#**	Nil	165000000	165000000	100%	Nil	165000000	165000000	100%	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)	**Nil**	**165000000**	**165000000**	**100%**	**Nil**	**165000000**	**165000000**	**100%**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ` 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**	**165000000**	**165000000**	**100%**	**Nil**	**165000000**	**165000000**	**100%**	**Nil**

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

B) SHAREHOLDING OF PROMOTERS:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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 **$**	165000000	100%	Nil	165000000	100%	Nil	Nil
	Total	165000000	100%	Nil	165000000	100%	Nil	Nil

$ Shareholding of Promoters: Company is wholly-owned subsidiary of Ircon International Limited – with 16,50,00,000 Equity Shares of ` 10/- each i.e. Entire Shareholding held by Indian Promoters.

The other 8 shareholders are Nominees of Ircon International Limited as per mandatory requirement for formation of Public Limited Company and for meeting the requirement of quorum of 5 members at every general meeting.

C) CHANGE IN PROMOTERS' SHAREHOLDING:

SN	Particulars	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	165000000	100%	165000000	100%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
3.	At the End of the Year	165000000	100%	165000000	100%

***Financial Year beginning from 1st April to 31st March.**

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

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

E) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Shareholding of Each Director(s) and Each Key Managerial Personnel (KMP)	Shareholding at the beginning of the FY 2019-20		Cumulative Shareholding during the FY 2019-20	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the Beginning of the Year (01-04-2019)	NIL			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
At the End of the Year (31-03-2020)				

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

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

(Amount in Rs. Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	240.85		-	240.85
ii) Interest due but not paid	-		-	--
iii) Interest accrued but not due	-			
Total (i+ii+iii)	240.85		-	240.85
Change in Indebtedness during the financial year				
* Addition	97.00			97.00
* Reduction	-			
Net Change	97.00			97.00
Indebtedness at the end of the financial year				
i) Principal Amount	337.85			337.85
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	337.85		-	337.85

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	-	-	-	-	-
	(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) $	**NIL**				
	Ceiling as per the Act	**NOT APPLICABLE**				

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**				

$ Executive and Non-Executive Directors: As on the closure of financial year 2019-20, the Company has four Non-Executive (Nominee) Directors on its Board, drawing Nil Remuneration in terms of Sitting Fees or Commission.

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

(Amount in Rs. Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel							
		CEO		CS		CFO			Total
		Shri. M. K. Sharma	Shri Atul Kumar	Ms. Shudodhani	Ms. Anuradha Kaushik	Shri Sanjay Poddar	Shri Bhushan Kumar	Shri Manjur Mohammad Gouri*	
1	Gross Salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,92,022	38,39,241	3,24,581	1,00,800	16,67,935	5,31,790	-	67,56,369
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-			-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-			-	-	--
2	Stock Option	-	-	-				-	-
3	Sweat Equity	-	-	-				-	-
4	Commission	-							
	- as % of profit		-	-				-	-
	others, specify…		-	-				-	-
5	Others, please specify		-	-				-	-
	Total	2,92,022	38,39,241	3,24,581	1,00,800	16,67,935	5,31,790	-	67,56,369

** Shri Manjur Mohammad Gouri was deputed as CFO w.e.f 18th March 2020 by IRCON (Holding Company) and for the month of March, the salary was paid from the Holding Company.*

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					
Punishment			NIL*		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL*		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL*		
Compounding					

For and on behalf of Board of Directors
of Ircon PB Tollway Limited

Sd/-
(Shyam Lal Gupta)
Chairman
DIN-07598920

Date: 19.08.2020
Place: New Delhi

ANNEXURE - III

FORM NO. AOC-2

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

[Pursuant to Section 134 (3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

S. No.	Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangement /transactions	Salient terms of the Contracts/ Arrangements/ Transactions including the value, if any	Date of approval by the Board, if any:	Amount paid as advances, if any:
1.	Ircon International Limited (Holding Company)	**a) EPC Agreement** For appointing Ircon International Limited as EPC Contractor for execution of project works of construction of four- or two-lane project highway as per scope of work awarded including development of project facilities	**Date:**EPC Agreement dated 19.01.2015 **Duration:** 30 Months (Period for Construction by EPC Contractor) 1. Addendum 1 entered on 12.06.2015 2. Addendum 2 entered on 29.03.2016 3. Addendum 3 entered on 05.08.2016 4. Addendum 4 entered on 06.07.2017 5. Addendum 5 entered on 05.04.2019	Addendum No. 1, 2, 3, 4 to EPC Agreements have been executed for incorporation of revised payment schedule retaining the original cost of the value of Rs.646 Cr. Addendum No.5 to EPC Agreements has been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs.767.48 Cr.	EPC Agreement-05.01.2015 Addendum No.1: 12.03.2015 Addendum No. 2: 23.03.2016 Addendum No. 3: 22.07.2016 Addendum No. 4: 13.06.2017 Addendum No. 5: 25.03.2019	NIL
		b) Lease Agreement (Rent for Use of Office Premises)	**Date:** Lease Agreement dated 22.06.2018 and 10.06.2020	Lease rent @ 65 sq. ft. X Rs.297/- per sq. ft. on monthly basis of Rs.19,305/- considering charges for	N.A.	NIL

		b) Lease Agreement (Rent for Use of Office Premises)	**Date:** Lease Agreement dated 22.06.2018 and 10.06.2020 (Renewal) **Duration:** 3 years w.e.f. 01.04.2018	Lease rent @ 65 sq. ft. X Rs.297/- per sq. ft. on monthly basis of Rs.19,305/- considering charges for leased premises inside corporate office of the IRCON and increment of 10% on renewal.	N.A.	NIL

For and on behalf of Board of Directors
of Ircon PB Tollway Limited

Sd/-
(Shyam Lal Gupta)
Chairman
DIN-07598920

Date: 19.08.2020
Place: New Delhi

S JINDAL & ASSOCIATES
COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

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

To,
The Members,
Ircon PB Tollway Limited,
CIN: U45400DL2014GOI272220
C-4, District Centre, Saket, South Delhi,
New Delhi-110017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ircon PB Tollway Limited** (hereinafter called the company). The 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 of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 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 2020 according to the provisions of:

S Jindal & Associates New Delhi Company Secretary

Office at:- B-4/47A, Phase-II, Ashok Vihar, Delhi – 110052
Ph: 01123526495, Email: sjindalandassociates@gmail.com

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not found to be applicable to the Company:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(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 Company;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

S Jindal & Associates
New Delhi
Company Secretary

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Company has not entered into any listing agreement with any stock exchange(s), thus there is no listing agreement with the Company for the compliance therewith.

We have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws and their regulatory compliances, since the same have been subject to review by statutory financial audit and other designated professionals.

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

We further report that:
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, 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 Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

The Board of Directors has been appointed in the Company on nomination by the holding company, Ircon International Limited, with only non-executive directors on its Board.

We further report that the Company has received additional secured loan from its Holding Company amounting to Rs.122.74 Crore during the year. With respect to additional secured loans, the company has not created a charge on the asset of the Company. As explained to us, this additional secured loan is in the nature of special assistance from the Holding Company

S Jindal & Associates
New Delhi
Company Secretary

(which holds 100% shares in IrconPBTL) and a substantial amount is returned to the holding company. The matter with respect to creation of charge on this additional secured loan is under consideration by the Management.

We further report that 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.

For **S Jindal & Associates**
Company Secretaries

S Jindal & Associates
New Delhi
Company Secretary

Shweta Jindal – FCS
M.No.F10398
COP.8879
UDIN: F010398B000589581

Place: New Delhi
Date: 17.08.2020.

ANNEXURE – V

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY AND GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors as on 31st March 2020

Pursuant to Article 49 of the Articles of Association (AOA) of the Company, the power to appoint Directors is with the Holding Company, ('IRCON'). Accordingly, the Holding Company, has appointed the following Non-executive Directors ('Part-time Directors') on the Board of IrconPBTL through nomination as mentioned below. The Board of Directors as on 31st March 2020 are as follows:

S. No	Name of the Directors & DIN	No. of Directorships in Other Companies	Committee Memberships held in Companies / Body Corporates (including IrconPBTL)	
			As Chairman	As Member
1.	Shri Shyam Lal Gupta Part-Time Chairman (DIN: 07598920) (w.e.f. 01.11.2019)	1. Ircon International Limited 2. Chhattisgarh East Railway Limited 3. Chhattisgarh East-West Railway Limited 4. Mahanadi Coal Railway Limited 5. Bastar Railway Private Limited 6. Ircon Shivpuri Guna Tollway Limited 7. Ircon Davanagere Haveri Highway Limited 8. Ircon Vadodara Kim Expressway Limited	NIL	3
2.	Shri Rajendra Singh Yadav Part-Time Director	1. Ircon Shivpuri Guna Tollway Limited 2. Ircon Davanagere Haveri	2	2

	(DIN: 07752915)	Highway Limited 3. Ircon Vadodara Kim Expressway Limited		
3.	Shri Ashok Kumar Goyal Part-Time Director (DIN: 05308809)	1. Ircon Shivpuri Guna Tollway Limited 2. Ircon Davanagere Haveri Highway Limited 3. Ircon Vadodara Kim Expressway Limited 4. Ircon Infrastructure & Services Limited	2	2
4.	Ms. Bhuvaneshwari Krishnan (DIN: 07486148) (w.e.f. 19.09.2019)	NIL	2	NIL

(b) Directors who ceased to hold office during the FY 2019-20 and thereafter till the date of this report)

Name of the Directors & Designation	Directorships held in Companies/ Body Corporates (excluding IrconPBTL)	Committee Memberships held in Companies / Body Corporates (including IrconPBTL)	
		As Chairman	As Member
Shri Deepak Sabhlok Part – time Chairman [DIN 03056457]	1. Ircon International Limited 2. Chhattisgarh East Railway Limited 3. Chhattisgarh East-West Railway Limited 4. Mahanadi Coal Railway Limited 5. Bastar Railway Private Limited 6. Ircon Shivpuri Guna Tollway Limited 7. Ircon Davanagere Haveri Highway Limited 8. Ircon Vadodara Kim Expressway Limited 9. Ircon-Soma Tollway Private Limited	1	5
Shri Anand Kumar Singh Part – time Director [DIN 07018776]	1. Ircon Shivpuri Guna Tollway Limited 2. Ircon Davanagere Haveri Highway Limited 3. Ircon Vadodara Kim Expressway Limited	2	3
Ms. Anupam Ban Part – time Director [DIN 07797026]	1. Ircon Shivpuri Guna Tollway Limited 2. Ircon Davanagere Haveri Highway Limited 3. Ircon Vadodara Kim Expressway Limited	1	NIL

Notes:

I. The number of Directorships is within the maximum limit of 20 Companies (out of which maximum 10 public companies) under the Companies Act, 2013.
II. None of the directors are related to each other.
III. None of the directors have any pecuniary relationships or transactions with the Company.
IV. The Directorships / Committee memberships are based on the latest disclosure received from Directors.
V. Committee memberships of Audit Committees of all Public Limited Companies have been considered.
VI. 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.

(c) Board Meetings and AGM held during the year:

During FY2019-20, the Board of Directors of the Company met nine times on:

8th April 2019, 2nd May 2019, 20th May 2019, 29th July 2019, 23rd August 2019, 19th September 2019, 24th October 2019, 3rd December 2019, 31st January 2020. None of the Board Meeting was held with a gap of more than 120 days.

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	8th April 2019	5	4
2.	2nd May 2019	5	5
3.	20th May 2019	5	5
4.	29th July 2019	5	5
5.	23rd August 2019	5	4
6.	19th September 2019	4	4
7.	24th October 2019	4	4
8.	3rd December 2019	4	4
9.	31st January 2020	4	3

(d) Details regarding the attendance of each Director at the Board Meetings and the Annual General Meeting held during FY2019-20 are presented in the following table:

Name and designation of the Director	Number of Board Meeting Held		Attendance held at the last Annual General Meeting held on 26th August 2019
	Held during their respective tenure	Attended	
Shri Deepak Sabhlok Part-Time Chairman (upto 31st October 2019)	7	7	Yes
Shri Shyam Lal Gupta Part-Time Chairman (w.e.f. 1st November 2019)	2	2	*
Shri Ashok Kumar Goyal Part-Time Director	9	8	Yes
Shri Anand Kumar Singh Part-Time Director (upto 4th September 2019)	5	5	Yes

Shri Rajendra Singh Yadav Part-Time Director	9	8	Yes
Ms. Anupam Ban Part-Time Director (upto 30th August 2019)	5	5	Yes
Ms. Bhuvaneshwari Krishnan Part-Time Director (w.e.f. 19th September 2019)	4	4	*

** The respective person was not a Director of IrconPBTL as on the date of last AGM.*

3. BOARD COMMITTEES:

During the FY 2019-20, in compliance with requirements under the requirements of Companies Act, 2013, DPE Corporate Governance Guidelines and other requirements, the Board of Directors has constituted the following committees:

I. Audit Committee
II. Corporate Social Responsibility & Sustainability Committee
III. Nomination and Remuneration Committee
IV. Internal Complaints Committee (ICC)

3.1 AUDIT COMMITTEE*

1. Number of Meetings held during the FY 2019-20:

During the FY 2019-20, six meeting of Audit Committee meeting were held on 2nd May 2019, 20th May 2019, 29th July 2019, 23rd August 2019, 24th October 2019, 31st January 2020.

2. Composition:

The Committee was last re-constituted on 19th September 2019 which comprised of the following directors:

Member of the Committee	Designation
Ms. Bhuvaneshwari Krishnan Part-Time Director	Chairman
Shri A. K. Goyal Part-Time Director	Member
Shri R. S. Yadav Part-Time Director	Member

3. Terms of Reference:

(i) the recommendation for remuneration of Statutory Auditors of the company;
(ii) Review or examination of the Quarterly and Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval;
(iii) Review of follow-up action on the audit observations of the C&AG Audit
(iv) approval of payment to statutory auditors for any other services rendered by them;
(v) approval or any subsequent modification of transactions of the company with related parties;
(vi) scrutiny of inter-corporate loans and investments;
(vii) valuation of undertakings or assets of the company, wherever it is necessary;

(viii) evaluation of internal financial controls and risk management systems and review of internal audit reports;
(ix) reviewing the performance of internal auditors and adequacy of internal control systems; and
(x) monitoring the end use of funds raised through public offers and related matters.

3.2 NOMINATION AND REMUNERATION COMMITTEE (NRC)*

1. Composition:

The Committee was last re-constituted on 19th September 2019 which comprised of the following directors:

Member of the Committee	Designation
Ms. Bhuvaneshwari Krishnan Part-Time Director	Chairman
Shri A. K. Goyal Part-Time Director	Member
Shri R. S. Yadav Part-Time Director	Member

2. Terms of Reference:

a. The Nomination and Remuneration Committee shall-

I. Review the policies for selection of persons in Senior Management (one level below the Director) and other employees as per DPE and other Government Guidelines, and recommend the same for approval to the Board;
II. Recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees; and
III. Any other work as may be included by Companies Act or DPE Guidelines from time to time.

*** *In pursuance of MCA's exemption notification and exemption granted by DPE from the compliance of DPE Corporate Governance Guidelines, Audit Committee and Nomination & Remuneration Committee has been rescinded by the Board at its meeting held on w.e.f. 31st January 2020.***

3.3 CSR & SUSTAINABILTY (CSR-SY) COMMITTEE & ANNUAL REPORT ON CSR

Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the **'CSR and Sustainability Committee (CSR-SY)'** of the Board was constituted on approval accorded at the 19th BoD meeting of Company held on 8th February 2017.

During the FY 2019-20, one meeting of CSR-SY Committee was held on 2nd May 2019. The Committee was last reconstituted on 19th September 2019 and as on date comprises of the following Directors:

Member of the Committee	Designation
Shri A. K. Goyal Part-Time Director	Chairman
Ms. Bhuvaneshwari Krishnan Part-Time Director	Member
Shri R. S. Yadav Part-Time Director	Member

4. GENERAL BODY MEETINGS

The details of General Meetings held during the FY 2019-20 are tabulated as below:

Sr. No.	Type of Shareholder Meeting	Date of Meeting	Details of Special Resolution Passed
1.	Second Extraordinary General Meeting (EGM)	20th May 2019	Borrowing Powers of Company in excess of paid-up Share Capital and Free Reserves u/s 180(1)(c) of Companies Act, 2013.
2.	Fifth Annual General Meeting (AGM)	26th August 2019	N.A.

5. DISCLOSURES AND STATUTORY COMPLIANCES

Adequate disclosures pertaining to director's interest, related party transactions, maintenance of statutory registers have been taken and placed periodically before the Board of Directors to take informed decisions, with the Board following a clear policy of specific delegation and 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.

6. COMPLIANCE CERTIFICATE BY CEO / CFO CERTIFICATION

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

7. CERTIFICATE FOR COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

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

Certificate obtained from a Practising Company Secretary regarding the compliance of the conditions of Corporate Governance is placed as **"Annexure"** to this Report.

For and on behalf of Board of Directors
of Ircon PB Tollway Limited

Sd/-
(Shyam Lal Gupta)
Chairman
DIN-07598920

Date: 19.08.2020
Place: New Delhi

S JINDAL & ASSOCIATES
COMPANY SECRETARIES

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

To
The Members of
Ircon PB Tollway Limited
CIN: U45400DL2014GOI272220
C-4, District Centre, Saket,
New Delhi – 110017

In respect of the compliance of the conditions of Corporate Governance for the year ended **31st March, 2020**, by **Ircon PB Tollway Limited (CIN: U45400DL2014GOI272220)**, a Government Company under section 2(45) of the Companies Act, 2013 (corresponding sections 2(18) and 617 of the Companies Act, 1956), as required by the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

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

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

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

S Jindal & Associates New Delhi Company Secretary

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:

Non-appointment of Independent Directors on its Board and Constitution of Audit Committee and Nomination & Remuneration Committee without Independent Directors, under the provisions of DPE Corporate Governance Guidelines, 2010. However, it is exempt under the provisions of Companies Act, 2013 and also it is understood that the appointment of Directors is being done by the Holding Company i.e. Ircon International Limited (in pursuance with the Articles of Association of the Company)

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 **S JINDAL & ASSOCIATES**
Company Secretaries

Shweta Jindal - FCS
M No: F10398
CP No- 8879
UDIN: F010398B000585863

Place: New Delhi
Date: 17.08.2020

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

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

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

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

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

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

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

Mr. Atul Kumar
Chief Executive Officer (CEO)

Mr. Manjur Mohammad Gouri
Chief Financial Officer (CFO)

Financial Statements (FY: 2019-20)

INDEPENDENT AUDITOR'S REPORT

To The Members IRCON PB Tollway Ltd

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of IRCON PB Tollway Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information hereinafter referred to as "Standalone Ind AS Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

Modified Audit Procedures carried out in light of COVID-19 outbreak:

Due to COVID-19 pandemic, Nationwide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches/LHOS/ Business Units in the Corporate Office of the Company.

A.N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

As we could not gather audit evidence in person/physically through discussion and personal interactions with the officials at the Branches/Circle Administrative /Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.
Accordingly, our audit procedures were modified to carry out the audit remotely.

How the matter was addressed in our audit

Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.
Wherever physical access was not possible, necessary records/reports/ documents/ certificates were made available to us by the Company through digital medium, emails and remote access and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us why were relied upon as audit evidence for conducting the audit and reporting for the current period.
Accordingly, we modified our audit procedures as follows:

a) Conducted verification of necessary records/ documents and other Application software electronically through remote access/emails in respect of some of the Administrative Offices and other offices of the Company wherever physical access was not possible.

b) Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.

c) Making enquiries and gathering necessary audit evidence through Video Conferencing. Dialogues and discussions over phone calls/conference calls, emails and similar communication channels.

d) Resolution of our audit observations telephonically through email instead of a face-to-face interaction with the designated officials.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under.
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

• Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

A.N. GARG & CO.
N. DELHI
CHARTERED ACCOUNTANTS

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit/loss, total comprehensive income/ loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company; so far it appears from our examination of these books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d)In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act with relevant rules issued there under.

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

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

A.N. GARG & CO N. DELHI CHARTERED ACCOUNTANTS

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

As Required by Section 143(5) of the Act and as per the directions issued by Comptroller and Auditor General of India we report that:

Sl. No.	Directions	Auditor's Replies
1.	Whether the company has system in place to process all the Accounting transactions through IT system? If yes, then implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, If any, may be stated	The company has Tally system to process all the accounting transacting and used for preparation of the financial accounts. No accounting transaction has been processed outside the IT system
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by lender to the company due to company's inability to repay the loan? If yes the Financial impact may be stated.	Yes, Company has applied to lender its holding company, M/s IRCON International for restructuring of the loan and also for waiver of the interest amount of Rs. 18,91,58,653/- for the period 01.10.2019-31.03.2020.
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions?	Company has recorded viability gap funding (VGF) in form of Equity support for the project as receivable from National Highway Authority of India (NHAI). Company has partly received VGF from NHAI and same has been accounted and utilized as per the terms and conditions of the agreement.

For A. N. GARG& COMPANY

Chartered Accountants

FRN- 004616N

A. N. GARG

(FCA, Partner)

M.No.-083687

Place: DELHI

Date: 24-06-2020

UDIN: 20083687AAAADY8630

Annexure "A"

To the Independent Auditor's Report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date to the financial statements of the company for the period 1st April' 2019 to 31st March'2020.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:-

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals; any material discrepancies were not noticed on such verification;

(c) The title deeds of immovable properties are held in the name of the company.

(ii) The company has not Dealing in any Inventory during the year nor is there any OpeningStocks.

(iii) As informed, and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(IV) Based on information and explanations given to us In respect of loans, investments, guarantees, and security, have been complied with (wherever applicable on the company) necessary provision of section 185 & 186 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year to which directives issued by the Reserve Bank of India and provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2016, as amended, prescribed by the Central Government under sub - section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) As explained to us and as per the books and records examined by us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Wealth Tax, Sales Tax, GST, Excise duty, Cess and other statutory dues have been generally deposited with the appropriate authority on regular basis.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, GST, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us by the management and relied upon by us, there are no dues of Income Tax, Custom Duty, Wealth Tax, Sales Tax, GST, Excise duty & Cess , which have not been deposited on account of any dispute.

A.N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues of banks or financial institutions. The Company did not have any outstanding in respect of debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management the Company has not raised money by way of public issue offer and hence the question of utilization of money raised by way of initial public offer does not arise. In our opinion and according to the information and explanations given to us, the Company has utilized the term loans for the purposes for which they were obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) In our opinion on the basis of information and explanations given by the management, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3 of the Order is not applicable to the Company.

(xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) According to the information and explanations given by the management, provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to company.

For A. N. GARG& COMPANY

Chartered Accountants

FRN- 004616N

A. N. GARG & CO N. DELHI CHARTERED ACCOUNTANTS

A. N. GARG

(FCA, Partner)

M.No.-083687

Place: DELHI

Date: 24-06-2020

Annexure - B

To the Independent Auditor's Report

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

To the Members of IRCON PB Tollway Ltd

We have audited the internal financial controls with reference to financial statements of IRCON PB Tollway Ltd ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

A.N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For A. N. GARG& COMPANY

Chartered Accountants

FRN- 004616N

A.N. GARG & CO ★ N. DELHI CHARTERED ACCOUNTANTS

A. N. GARG

(FCA, Partner)

M.No.-083687

Place: DELHI

Date: 24-06-2020

IRCON PB TOLLWAY LIMITED

(CIN - U45400DL2014GOI272220)

BALANCE SHEET AS AT 31st MARCH 2020

(In Rs.)

	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
I.	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	1,300,452	272,519
	(b) Capital Work-in-Progress		-	-
	(c) Investment Property		-	-
	(d) Intangible Assets	4	4,949,615,495	5,179,888,229
	(e) Intangible Assets under Development	4	169,377,260	48,850,193
	(f) Right-of-use Assets		-	-
	(g) Financial Assets	5		
	(i) Investments		-	-
	(ii) Loans		-	3,200
	(iii) Others	5.1	9,949,440	9,964,440
	(h) Deferred Tax Assets (Net)	6	8,103,145	8,103,145
	(i) Other Non-Current Assets		-	-
	Total Non-Current Assets			
2	**Current Assets**			
	(a) Inventories		-	-
	(b) Financial Assets	7		
	(i) Investments		-	-
	(ii) Trade Receivables	7.1	96,629,220	151,485,769
	(iii) Cash and Cash Equivalents	7.2	127,600,077	12,885,700
	(v) Other Bank Balances		-	-
	(vii) Loans	7.3	1,387	-
	(viii) Others	7.4	511,314,395	1,127,858,190
	(c) Current Tax Assets (Net)	8	67,758,104	44,781,428
	(d) Other Current Assets	9	24,355	25,926,805
	(e) Assets held for Sale		-	-
	Total Current Assets			
	Total Assets		5,941,673,330	6,610,019,618
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	10	1,650,000,000	1,650,000,000
	(b) Other Equity	11	(153,763,458)	18,072,841
	Total Equity			
2	**Liabilities**			
(i)	**Non-Current Liabilities**			
	(a) Financial Liabilities	12		
	(i) Borrowings	12.1	3,792,909,091	3,096,958,333
	(ii) Trade Payables			
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
	- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		-	-
	(iv) Other Financial Liabilities		-	-
	(b) Provisions		-	-
	(c) Other Non-Current Liabilities		-	-
	Total Non-Current Liabilities			
(ii)	**Current Liabilities**			
	(a) Financial Liabilities	13		
	(i) Borrowings	13	379,290,909	
	(i) Borrowings	13.1		281,541,667
	(ii) Trade Payables	13.2		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
	- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		70,130,288	26,569,108
	(iii) Other Financial Liabilities	13.3	45,177,318	10,644,841
	(b) Other Current Liabilities	14	1,253,328	24,164,606
	(c) Provisions	15	156,675,854	1,502,068,221
	(d) Current Tax Liability (Net)		-	-
	Total Current Liabilities			
	Total Equity and Liabilities		5,941,673,330	6,610,019,618
III.	Summary of Significant Accounting Policies	1 - 2		
IV.	Notes forming part of Financial Statements	3 - 38		

As per our Report of even date attached

For A.N. Garg & Co.
Chartered Accountants
FRN 004616N

A.N. Garg
FCA Partner
M. No. 083687
UDIN 20083687AAAADY8630

Place : New Delhi
Date : 24/6/2020

(S.L.Gupta)
(Chairman)
Din No. 07598920

(R.S Yadav)
Director
Din No.07752915

(Bhuvneshwari Krishnan)
Director
Din No. 07486148

(Atul Kumar)
(Chief Executive Officer)

(Manjur M Gouri)
(Chief Financial Office

Anuradha Kaushik
(Company Secretary)

IRCON PB TOLLWAY LIMITED

(CIN - U45400DL2014GOI272220)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(In Rs.)

	Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I.	**Revenue :**			
	Revenue from operations	16	704,035,925	3,560,674,506
	Add :- Company's share of turnover in Integrated Joint operations (unincorporated)		-	-
			704,035,925	3,560,674,506
II.	Other income	17	3,336,482	8,253,606
III.	**Total Income (I + II)**		**707,372,407**	**3,568,928,112**
IV.	**Expenses:**			
	Materials and Stores Consumed		-	-
	(Increase) / Decrease in WIP		-	-
	Project Expenses	18	420,078,759	3,288,375,022
	Employee Benefits Expenses	19	28,226,549	27,870,483
	Finance Costs	20	199,504,652	252,184,113
	Depreciation, Amortisation and Impairment	21	230,416,982	27,700,899
	Other Expenses	18	844,376	1,076,381
	Proportionate share of expenses in Integrated Joint operations (unincorporated)		-	-
	Total Expenses (IV)		**879,071,319**	**3,597,206,898**
V.	**Profit Before exceptional items and Tax (III - IV)**		-171,698,911.14	-28,278,786
VI.	Exceptional items		-	-
VII.	Profit before tax (V + VI)		-171,698,911	-28,278,786
VIII.	Tax expenses:			
	(1) Current tax			
	- For the Period		-	-
	- For earlier years (net)		137,388	-
	(2) Deferred tax (net)		-	(7,057,316)
	Total Tax Expense		137,388	(7,057,316)
IX	**Profit for the year from continuing operation (VII - VIII)**		**-171,836,299**	**-21,221,470**
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)**		**-171,836,299**	**-21,221,470**
X	**Other Comprehensive Income**			
	A. (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will be reclassified to profit or loss		-	-
			-	0
XI	**Total Comprehensive Income for the year (IX +X) (Comprising profit/(loss) and other comprehensive income for the year, net of tax)**		**-171,836,299.14**	**-21,221,470**
XII	Earnings Per Equity Share:			
	(For Continuing Operation)			
	(1) Basic	30	-1.04	-0.13
	(2) Diluted		-1.04	-0.13
	Face Value Per Equity Share			
XIII	Summary of Significant Accounting policies	1 - 2		
XIV	Notes forming part of financial statements	3 - 38		

As per our Report of even date attached

For A.N. Garg & Co.
Chartered Accountants
FRN 004616N

A.N. Garg
FCA Partner
M. No. 083687
UDIN 20083687AAAADY8630
Place : New Delhi
Date : 24/6/2020

(S.L.Gupta) (Chairman) Din No. 07598920

(R.S Yadav) Director Din No.07752915

(Bhuvneshwari Krishnan) Director Din No. 07486148

(Atul Kumar) (Chief Executive Officer)

(Manjur M Gouri) (Chief Financial Officer)

Anuradha Kaushik (Company Secretary)

IRCON PB TOLLWAY LIMITED
(CIN - U45400DL2014GOI272220)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2020

(In Rs.)

Particulars		For the year ended 31st March 2020		For the Year ended 31st March 2019	
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before taxation		(171,698,911)		(28,278,786)	
Adjustment for :					
Depreciation, amortization and impairment		230,416,982		27,700,899	
Finance Cost		199,504,652		252,184,113	
Interest Income		(3,145,994)		(7,307,125)	
Operating Profit before Current /Non-Current Assets and Lianilities	(1)		255,076,729		244,299,101
Adjustment for :					
Decrease / (Increase) in Trade Receivables/ Financial Assets - Loans		54,858,363		(151,156,539)	
Decrease / (Increase) in Inventories		-		-	
Decrease / (Increase) in Other Assets & Financial Assets		642,648,709		(7,517,500)	
(Decrease) / Increase in Trade Payables		43,561,180		(166,801,134)	
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		(1,378,414,343)		1,511,089,618	
	(2)		(637,346,091)		1,185,614,445
Cash Generated From Operations	(1+2)		(382,269,362)		1,429,913,546
Income Tax (Paid)/Refund received		21,529,110	21,529,110	(14,521,681)	(14,521,681)
NET CASH FROM OPERATING ACTIVITIES	(A)		(360,740,252)		1,415,391,865
CASH FLOW FROM INVESTING ACTIVITIES			-		
Purchase of Property, Plant and Equipment including CWIP			(1,172,181)		(257,800)
Purchase of Intangible Assets/ Intangible Assets under development			(120,527,067)		(2,480,596,793)
Interest Received			2,958,530		7,443,806
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)			-		200,000,000
NET CASH FROM INVESTING ACTIVITIES	(B)		(118,740,718)		(2,273,410,787)
CASH FLOW FROM FINANCING ACTIVITIES					
Loan From IRCON (Holding Co.)			1,368,900,000		970,000,000
Repayment of Loan to IRCON (Holding Co.)			(575,200,000)		
Final Dividend (including Dividend Distribution Tax) paid			-		-
Interim Dividend (including Dividend Distribution Tax) paid			-		-
Adjustment of Prior Period Income in Retained Earnings			-		
Payment of Fee for increase in Authorised Capital			-		-
Borrowing Cost			(199,504,652)		(252,184,113)
Payment to DIPAM for Buy Back of Shares			-		-
NET CASH FROM FINANCING ACTIVITIES	(C)		594,195,348		717,815,887
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)		-		-
NET DECREASE IN CASH & CASH EQUIVALENTS	(A+B+C+D)		114,714,377		(140,203,035)
CASH AND CASH EQUIVALENTS (OPENING)	(E)		12,885,700		153,088,735
CASH AND CASH EQUIVALENTS (CLOSING)	(F)		127,600,077		12,885,700
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(F - E)		114,714,377		(140,203,035)

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

2. Figures in brackets represent outflow of cash.

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

As per our Report of even date attached

Chartered Accountants
FRN 004616N

A.N. Garg
FCA Partner
M. No. 083687
UDIN 20083687AAAADY8630
Place : New Delhi
Date : 24/6/2020

(S.L.Gupta)
(Chairman)
Din No. 0759892(

(R.S Yadav)
Director
Din No.07752915

(Bhuvaneshwari Krishnan)
Director
Din No. 07486148

(Atul Kumar)
(Chief Executive Officer)

(Manjur M Gouri)
(Chief Financial Officer)

Anuradha Kaushik
(Company Secretary)

IRCON PB TOLLWAY LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(in Rs.)

A. Equity Share Capital

For the year ended 31st March, 2019

Particulars	Amount
Balance as at 01 April, 2018	**1,650,000,000**
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	**1,650,000,000**
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	**1,650,000,000**

B. Other Equity

For the year ended 31st March, 2019

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2018	-	**39,294,311**	-	0	**39,294,311**
Changes in accounting policy or prior period errors	-	-	-	-	0
Balance as at 1 April, 2018 (Restated)	-	**39,294,311**	-	0	**39,294,311**
Profit for the year	-	(21,221,470)	-	-	**-21,221,470**
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	0	-	-	-
Foreign Exchange translation difference	-	-	-	0	0
Total Comprehensive Income for the period	-	**-21,221,470**	-	0	**-21,221,470**
Dividends Paid	-	0	-	-	0
Dividend Distribution Tax	-	0	-	-	0
Balance as at March 31, 2019	-	**18,072,841**	-	0	**18,072,841**

For the year ended 31st March, 2020

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2019	-	**18,072,841**	-	0	**18,072,841**
Changes in accounting policy or prior period errors	-		-	-	0
Balance as at 1 April, 2019 (Restated)	-	**18,072,841**	-	-	**18,072,841**
Profit for the year (Restated)	-	(171,836,299)	-	-	**-171,836,299**
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	0	-	-	-
Foreign Exchange translation difference	-		-	0	0
Total Comprehensive Income for the period	-	**-171,836,299**	-	0	**-171,836,299**
Dividends Paid	-	0	-	-	0
Dividend Distribution Tax	-	0	-	-	0
Balance as at March 31, 2020	-	**-153,763,458**	-	0	**-153,763,458**

As per our Report of even date attached

Chartered Accountants
FRN 004616N

A.N. Garg
FCA Partner
M. No. 083687
UDIN 20083687AAAADY8630
Place : New Delhi
Date : 24/6/2020

For and on behalf of Board of Directors

(S.L.Gupta)
(Chairman)
Din No. 07598920

(R.S Yadav)
Director
Din No.07752915

(Bhuvaneshwari Krishnan)
Director
Din No. 07486148

(Atul Kumar)
(Chief Executive Officer)

(Manjur M Gouri)
(Chief Financial Officer

Anuradha Kaushik
(Company Secretary)

1. Corporate Information

Ircon PB Tollway Limited ('Ircon PBTL') (CIN) U45400DL2014GOI272220) is a wholly owned subsidiary of Ircon International Limited ('IRCON'). The Company came into existence when IRCON incorporated IrconPBTL on 30.09.2014 on account of work awarded by NHAI for widening and strengthening of the existing Bikaner - Phalodi Section to 4 lane from Km. 4.200 to Km. 55.250 and 2 Lane with Paved shoulder from Km. 55.250 to Km. 163.50 of NH 15 in the state of Rajasthan on DBFOT (Design, Built, Finance, and Operate & Transfer) basis in accordance with the terms and conditions in the concession agreement signed with NHAI. In pursuant to the provisions of 'Request for Proposal', the selected bidder 'IRCON' formed IrconPBTL as Special Purpose Vehicle (SPV). The Company obtained Certificate of Commencement of Business on 10th Oct 2014 from the office of Registrar of Companies. Accordingly, SPV has signed the Concession Agreement with NHAI on 7th Nov 2014. As per provisions of Concession Agreement Article 24, clause 24.1, the Concessionaire is obliged to achieve financial close within 180 days from the date of agreement so that NHAI may notify the date of appointment, known as Appointed Date before physical commencement of the project. The financial close was completed by concessionaire during the financial year 2015-16; accordingly, the appointed date was fixed by NHAI on 14th Oct 2015. The concession period of 26 years including construction period commenced on 14th Oct 2015 on Appointed Date notified by the NHAI. NHAI is to provide Viability Gap Fund (VGF) of Rs.327.00 crores as per provisions of the concession agreement.

Company received provisional Commercial Operation Date (COD) on 15th Feb 2019

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

2. Summary of Significant Policies

2.1 Basis of preparation

i. The financial statements of the company have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

ii. The financial statements have been prepared on a going concern basis following accrual system of accounting. The company has adopted the historical cost basis for assets and liabilities, except for the following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value

A.N. GARG & CO * CHARTERED ACCOUNTANTS N. DELHI

- Certain financial assets and liabilities measured at fair value

2.2 Current vs non-current classification

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

ii. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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

iv. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

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

vii. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle..

2.3 Statement of Cash Flow

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

2.4. Property, Plant and Equipment

i. *Recognition and initial measurement*

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

A.N. GARG & CO * N. DELHI * CHARTERED ACCOUNTANTS stated at their cost.

Cost of asset includes

Purchase price, net of any trade discount and rebates.

(a) Borrowing cost if capitalization criteria is met.
(b) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use.
(c) Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto.
(d) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Freehold land is carried at historical cost.

ii. *Subsequent Measurement*

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

iii. *Depreciation and Useful lives*

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

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

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

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

- Property Plant and Equipment acquired during the period, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value.

- Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. "Ordinarily, the residual value of an asset is up to 5% of the original cost of the asset" as specified in Schedule II of the Companies Act, 2013.

iv. *Derecognition*

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

2.5 Capital work in progress

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

2.6 Investment Properties

i. *Recognition and Initial Measurement*

- Investment Property is recognized when it is probable that future economic benefits associated with the property will flow to the company and the cost of property can be measured reliably.

- Investment property comprises completed property, property under construction and property held under a lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Investment properties are measured initially at cost, including transaction costs.

- Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other Ind AS.

A.N. GARG & CO * N. DELHI CHARTERED ACCOUNTANTS

ii. *Subsequent Measurement and Depreciation*

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

- Leasehold land acquired on perpetual lease is not amortized.

- The residual values, useful lives and methods of depreciation of investment property are reviewed at each financial year-end and adjusted prospectively, if appropriate.

- Though the company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair value determined based on an annual evaluation performed by an accredited external independent valuer applying valuation model acceptable internationally.

iii. *Derecognition*

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

2.7 Intangible Assets

i. *Recognition and Initial Measurement*

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

ii. *Subsequent Measurement and Amortization*

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

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

A.N. GARG & CO CHARTERED ACCOUNTANTS N. DELHI

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

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

iii. *Derecognition*

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

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

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

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

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

d) Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the

A.N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the company receives the completion certificate (Provisional or Final) from the authority as specified in the Concession Agreement.

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

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

g) The Company recognizes Viability Gap Funding(VGF) in the nature of equity support. Total expected amount of VGF is reduced from intangible assets under development (being created under the service concession arrangement) and receivable under current financial assets is recognized. Any amount received against the VGF is then reduced from the current financial assets.

h) 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.

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

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

k) 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.

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2.8 Cash and cash Equivalent

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

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

2.9 Provisions, contingent assets and contingent liabilities

i. Provisions

a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

b) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

ii. Onerous contracts

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

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

iii. Contingent liabilities

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

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

iv. Contingent assets

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

2.10 Revenue Recognition

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

ii. The Consideration received or receivable by the Company is a right to financial asset and an intangible asset. The Company recognizes a financial asset to the extent it has an unconditional right to receive cash which is specified determinable amount from or at the direction of the grantor for the construction services and the Company recognizes an intangible asset to the extent that it receives a sole and exclusive right to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

iii. The Company recognizes contract revenue on the satisfaction of a performance obligation by transferring a promised service to the grantor. The Company's performance creates /enhances an asset that the grantor controls as the asset is created or enhanced hence, the Company transfers control over time, satisfies a performance obligation over time.

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

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

vi. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception.

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

viii. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

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

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

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

xi. Performance obligation is measured by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the

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performance obligation.

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

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

xiv. Contract balances

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

- Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments - initial recognition and subsequent measurement.

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

xv. Revenue from toll collection

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

xvi. Other income

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

2.11 Impairment of non-financial assets

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

ii. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

iii. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior period. Such reversal is recognized in the statement of profit and loss.

2.12 Inventories

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

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ii. Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at lower of cost or realizable value thereafter.

iii. The initial contract expenses on new projects for mobilization are recognized as construction work-in-progress in the year of incidence, and pro rata charged to statement of profit and loss of the project over the period at the same percentage as the stage of completion of the contract as at the end of reporting period. Site mobilization expenditure to the extent not written off valued at cost.

iv. In Cost Plus contracts, where the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (a) above.

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

2.13 Borrowing Cost

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

2.14 Employee Benefits

i. Short Term Employee Benefits

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

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

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

2.15 Leases

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

i. Company as a lessee

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

A. Right-of-use assets

- The company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.Leasehold land acquired on perpetual lease is not amortized.

- If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

- The right-of-use assets are also subject to impairment.

B. Lease liabilities

- At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

- In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or

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rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- The company's lease liabilities are included in financial liabilities.

C. Short term lease and leases of low value assets

- The company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. The Company furthe also treats those leases as low value, whose lease term may be over one year, but whose effect of non categorizing them as right to use assets and charging them over the lease term vis-à-vis accounting them as an expense on a year to year basis is not material. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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

ii. Company as a lessor

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

2.16 Current income tax

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

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returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

2.17 Deferred tax

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

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

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

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

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

2.18 Operating Segment

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

2.19 Earnings per Share

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

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

2.20 Foreign Currencies

i. Functional and Presentation Currency

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

ii. Transactions and Balances

- Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

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

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

2.21 Fair value measurement

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

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

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

   b) In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the company.

iii. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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iv. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

v. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

viii. External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies.

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

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

2.22 Dividend to equity holders

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

2.23 Financial instruments

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

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i. Financial assets

a) Initial recognition and measurement

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

b) Subsequent measurement

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

A. Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
    a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
    b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

B. Debt instruments at FVTOCI

- A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

    a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
    b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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C. Debt instruments at FVTPL

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

D. Equity instruments

- All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

- If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

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

E. Impairment of financial assets

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

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

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

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f. Financial guarantee contracts which are not measured as at FVTPL

- The company follows 'simplified approach' for recognition of impairment loss allowance on:
  a. Trade receivables or contract revenue receivables; and
  b. All lease receivables resulting from transactions within the scope of Ind AS 116

- The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

- For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

- Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date

- ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

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

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

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

F. Derecognition of financial assets

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

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

ii. Financial liabilities

a) Initial recognition and measurement

- All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- The company's financial liabilities include trade and other payables, loans and borrowings, other financial liabilities etc.

b) Subsequent measurement

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

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

The company has not designated any financial liabilities at FVTPL.

b. Financial liabilities at amortized cost

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

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

B. Derecognition of financial liabilities

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

iii. Financial guarantee contracts

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

iv. Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

v. Offsetting of financial instruments

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

2.24 Non - current asset held for sale

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

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b) If the criteria stated by IND AS 105 "Non-current Assets Held for Sale" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of

i. its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and

ii. its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

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

2.25 Prior Period Adjustment

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

2.26 Significant accounting estimates and judgments

- The estimates used in the preparation of the said financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the company believes to be reasonable under the existing circumstances.

- The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the period in which they become known.

- The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

i. Allowances for uncollected trade receivables

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

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ii. Contingencies

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

iii. Impairment of financial assets

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

iv. Taxes

- Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

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

v. Impairment of non-financial assets

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

vi. Non-current asset held for sale

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

vii. Leases - Estimating the incremental borrowing rate

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

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

- The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

ix. Revenue recognition

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

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

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

    - Determination of stage of completion
    - Estimation of project completion date
    - Provisions for foreseeable loses

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- Estimated total revenues and estimated total costs to completion, including claims and variations.
- These are reviewed at each reporting date and adjust to reflect the current best estimates

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

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3 Property, Plant and Equipment

(Rs. in crore)

Foot Notes	Freehold Land	Lease hold Land	Lease hold Buildings	Freehold Buildings/Flats-Residential	Freehold Buildings/Flats-Non-Res.	Plant & Machinery	Survey Instruments	Computers	Mobile Handset	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Gross Carrying Amount (At Cost)														
At 1 April 2018	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
Additions	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Right-to-use Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	0.01	-	0.02	-	-	-	0.03
Transfer to Right-to-use Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 1 April 2019	-	-	-	-	-	-	-	0.01	-	0.02	-	-	-	0.03
Additions	-	-	-	-	-	-	-	0.04	-	0.08	-	-	-	0.12
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	-	-	-	-	-	-	-	0.05	-	0.10	-	-	-	0.15
Depreciation and Impairment														
At 31 March 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Right-to-use Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Right-to-use Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 1 April 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	0.01	-	0.01	-	-	-	0.02
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	-	-	-	-	-	-	-	0.01	-	0.01	-	-	-	0.02
Net book value														
At 31 March 2020	-	-	-	-	-	-	-	0.04	-	0.09	-	-	-	0.13
At 31 March 2019	-	-	-	-	-	-	-	0.01	-	0.02	-	-	-	0.03

Foot Notes:-

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

Description	As At 31 March 2020	As at March 2019
Depreciation on Tangible Assets	0.01	-
Impairment Loss	-	-
Total	**0.01**	-

i) Carrying amount include Foreign Exchange Loss/Gain on account of PPE translation from functional currency to presentation currency.

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4 Intangible Assets

(Rs. in crore)

Particulars	Intangible assets under development (Toll Road) (Refer Note 24)	Intangible Asset (Toll Road) (Refer Note 24)	Other Intangibles (Software)
Gross Block			
Opening balance at 1 April 2018	**277.58**	-	-
Addition during the year	338.17	520.76	-
Capitalisation during the year	520.76	-	-
Disposals / adjustment during the year ##	90.11	-	-
Closing balance at 31 March 2019	**4.88**	**520.76**	-
Addition during the year	25.20		-
Capitalisation during the year			-
Disposals / adjustment during the year ##	13.15		-
Closing balance At 31 March 2020	**16.94**	**520.76**	-
## Equity Support due from NHAI to be reduced from in Intangible assets			
Amortisation and Impairment			
Opening balance at 1 April 2018	-		-
Amortisation during the year	-	2.77	-
Sales / adjustment during the year	-		-
Closing balance at 31 March 2019	-	**2.77**	-
Amortisation during the year	-	23.03	-
Sales / adjustment during the year	-		
Closing balance At 31 March 2020	-	**25.80**	-
Net book value			
At 31 March 2020	**16.94**	**494.96**	-
At 31 March 2019	**4.88**	**517.99**	-

Note:-

1. Intangible Assets (Toll Road) also includes value of IT Infrastructure Including software essential for the toll road and bundled with the EPC works of the Toll Road. The same is not separately quantifiable and is an integral part of the Asset.

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5.1 Non-Current Assets - Other Financial Assets

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
a) Considered Good : Unsecured		
Security Deposits		
- Others	0.04	0.04
Contact Asset:		
- Retention Money with Client (Refer Note 34)	0.96	0.96
Total (a)	**1.00**	**1.00**
b) Considered Doubtful		
Total - Other Financial Assets - Doubtful (b)	-	-
Grand Total - Other Financial Assets (a+b)	**1.00**	**1.00**

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6 **Deferred Tax Assets and Income Tax**

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are :

(Rs. in crore)

S.No.	Particulars	For the Year ended	
		31st March 2020	31st March 2019
1	**Profit and Loss Section**		
	Current income tax :		
	Current income tax charge	-	-
	Adjustment in respect of current tax of previous year	0.01	-
	Deferred tax :		
	Relating to origination and reversal of temporary differences	-	(0.71)
	Income tax expense reported in the Profit and Loss section	**0.01**	**(0.71)**
2	**Other Comprehensive Income (OCI) Section**		
	Income tax related to items recognised in OCI during the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	-	-
	Net loss/(gain) on foreign operation translation	-	-
	Income tax expense reported in the OCI section	-	-

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

(Rs. in crore)

S.No.	Particulars	For the Year ended	
		31st March 2020	31st March 2019
1	Accounting profit before income tax	(17.18)	(2.83)
2	Corporate tax rate as per Income tax Act, 1961	26%	26%
3	Tax on Accounting profit (3) = (1) * (2)	-	-
4	Effect of Tax Adjustments:		
(i)	Adjustments in respect of current income tax of previous years	0.01	-
(ii)	Utilisation of previously unrecognised tax losses	-	-
(iii)	Impact of Rate Difference	-	-
(iv)	Tax on Income exempt from tax	-	-
(v)	Non-deductible expenses for tax purposes:		
	-Other country additional tax	-	-
	-Other non-deductible expenses	-	-
(vi)	Tax effect of various other items	-	(0.71)
5	**Income tax expense reported in the Statement of Profit and Loss**	**0.01**	**(0.71)**
6	Effective Tax Rate		

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

(Rs. in crore)

S.No.	Particulars	Balance sheet		Statement of profit or loss	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation ^^	(39.84)	-	(39.84)	-
2	Provisions	-	-	-	-
3	Others/ Business Loss	40.65	0.81	39.84	0.71
4	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
5	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
6	Fair valuation of financial instruments	-	-	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
	Net deferred tax assets/(liabilities)	**0.81**	**0.81**	-	**0.71**

^^ Deferred Tax Assets arising on account of Business losses has been restricted to the Deferred Tax Liability arising from PPE and Intangible Assets as a matter of conservatism. Deferred Tax asset of Rs 4.46 Crores has not been recognised as a matter of prudence, in line with Accounting policy 2.17

(d) Reflected in the balance sheet as follows:

(Rs. in crore)

S.No.	Particulars	31st March 2020	31st March 2019
1	Deferred tax assets	40.65	0.81
2	Deferred tax liability	(39.84)	-
	Deferred Tax Asset/(Liabilities) (Net)	**0.81**	**0.81**

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

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

As at 31 March 2020

(Rs. in crore)

S.No.	Particulars	Balance As at 1st April 2019 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March, 2020 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	-	(39.84)	-	(39.84)
2	Provisions	-	-	-	-
3	Others/ Business Loss	0.81	39.84	-	40.65
4	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
5	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	-	-	-	-
6	Fair valuation of financial instruments	-	-	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	-	-	-	-
	Net deferred tax assets/(liabilities)	0.81	-	-	0.81

As at 31 March 2019

(Rs. in crore)

S.No.	Particulars	Balance As at 1st April 2018 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March, 2019 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	-	-	-	-
2	Provisions	0.00	-	-	-
3	Others/ Business Loss	0.10	0.71	-	**0.81**
4	Items disallowed u/s 43B of Income Tax Act, 1961	0.00	0.00	-	-
5	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	0.00	-	-	-
6	Fair valuation of financial instruments	0.00	0.00	-	-
7	Unutilised gain/loss on FVTOCI equity securities and FVTPL Mutual funds	0.00	0.00	-	-
	Net deferred tax assets/(liabilities)	0.10	0.71	-	0.81

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7 Current Assets - Financial Assets

7.1 Current Financial Assets - Trade Receivables

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Considered Good : Unsecured	9.66	15.15
Considered Doubtful : Unsecured	-	-
Less : Impairment allowances for doubtful debts	-	-
Total	**9.66**	**15.15**

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7.2 **Current Financial Assets - Cash and Cash equivalents**

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2020	As at 31st March 2019
Balances with banks:			
– On current accounts^		1.11	0.44
– Flexi Accounts^		11.65	0.85
		12.76	1.29

^ The above balance pertain to ESCROW A/C which are earmarked fund as per concession agreement entered with NHAI

7.3 **Current Financial Assets - Loans**

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
(i) Others:		
Staff Loans & Advances	-	-
	-	-
Total (B) - Considered Good : Unsecured (i)	-	-
C. Considered Doubtful		
Total (C) - Doubtful Loans	-	-
Total	-	-

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7.4 **Current Assets - Other Financial Assets**

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
<u>**Considered Good : Unsecured**</u>		
Retention Money with Client	-	-
Interest Accrued on :		
- Deposits with Banks	0.02	-
Contract Asset :		
- Billable Revenue / Receivable not due {refer foot note (ii)}	-	-
Money Withheld by Client (Refer Note 34)	0.88	0.88
- Construction Work in Progress (At realisable value)	-	-
- Retention Money with Client	-	-
Other Recoverable :		
Others	50.23	111.90
Considered Doubtful : Unsecured	-	-
Total	**51.13**	**112.78**

Note:

(a) Other recoverable includes Rs. 46.94 Crores (Previous Year 102.51 Crores) due from NHAI as Equity Support (Refer Note38(d)

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8 Current Assets - Current Tax Assets (Net)

(Rs. in crore)

Particulars	31 March 2020	31 March 2019
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	6.78	4.48
Current tax Assets (Net)	**6.78**	**4.48**

Current Tax Assets (Net)

(Rs. in crore)

Particulars	Foot Note	31 March 2020	31 March 2019
Taxes Paid :			
Income Tax - TDS		-	-
Advance Income Tax		6.78	4.48
Deposit with Income Tax Department against demand		-	-
Less : Provision for Tax		-	-
Total		**6.78**	**4.48**

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9 **Other Current Assets**

(Rs. in crore)

Particulars	Foot Note	As at 31st March 2020	As at 31st March 2019
Considered Good : Unsecured			
Advances Other than Capital Advances			
- Goods & Services Tax		-	2.45
Prepaid Expenses		-	0.14
Considered Doubtful : Unsecured		-	-
Total		-	2.59

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10 Equity Share capital

(Rs. in crore)

Particulars	As At 31 March 2020	As at 31 March 2019
Authorised Share Capital		
17,50,00,000 Equity shares of Rs.10 each	175.00	175.00
	175.00	175.00
Issued/Subscribed and Paid up Capital		
16,50,00,000 Equity shares of Rs 10 each-fully paid	165.00	165.00
	165.00	165.00

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

Name of the shareholder	As At 31 March 2020		As at 31 March 2019	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Ircon International Limited- Holding Company (IRCON)	165,000,000	100.00%	165,000,000	100.00%

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

Particulars	As At 31 March 2020		As at 31 March 2019	
	No of shares	Rs in crore	No of shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	165,000,000	165.00	165,000,000	165.00
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	**165,000,000**	**165.00**	**165,000,000**	**165.00**

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11 Other Equity

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Retained Earnings	-15.37	1.81
General Reserve	-	-
Capital Redemption Reserve	-	-
Other Comprehensive Income	-	-
Total	**-15.37**	**1.81**

i) **Movement as per below:**

(a) Retained Earnings		
Opening Balance	1.81	3.92
Transfer from surplus in statement of profit and loss	-17.18	-2.11
Closing Balance	**-15.37**	**1.81**
(b) General Reserve		
Opening and Closing Balance	-	-
(c) Other Comprehensive Income		
Opening and Closing Balance	-	-
Grand Total (a+b+c)	**-15.37**	**1.81**

ii) **Nature and Purpose of Other Reserves:**

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

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

(c) Items of Other Comprehensive Income

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

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12 Non-Current Liabilities - Financial Liabilities

12.1 Non-Current Financial Liabilities - Borrowings

(Rs. In crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Secured:		
(a) Loan from Holding Company(Ircon International Limited) (Refer Note below & 13.1)	379.29	309.70
Total	**379.29**	**309.70**

Notes :-

(a) Details of Terms of repayments for the other short terms borrowings and security provided in respect of other secured long term borrowings:-

Particulars and terms of security	As at 31st March 2020	As at 31st March 2019
IRCON International Limited (Secured Loan)-Secured by all immovable properties and hypothecation of moveable property of the borrower, Fees, Revenue, Project Agreement, Insurance Claim, Intangible Assets, ESCROW Account and other assets (Refer note b below)	417.22	337.85
Less : Current Maturities (Amount re- payable in next financial year) Shown under note 13.1 - Financial Liablities Current Borrowing	37.93	28.15
Amount Outstanding	**379.29**	**309.70**

(b) As per the sanction terms of the loan taken from IRCON International Limited , the interest payable is equivalent to SBI Base rate +0.50%, which presently is 8.65% p.a. payable monthly. Company has already approved in their 41st board meeting dated 18.5.2020 for change in repayment schedule to 15 years in structured quarterly instalments with the next instalment starting from 1.4.21 . The interest rate of loan is also being revised to SBI MCLR rate for one year including deferment of interest payment on the loan upto 31.3.2020. The Request for amendment in the holding company in this regard has already been made.

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13 Current Liabilities - Financial Liabilities

13.1 Current Financial Liabilities - Borrowings

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
(A) Loan From Holding Company - IRCON	37.93	28.15
Total	37.93	28.15

13.2 Current Financial Liabilities - Trade Payables

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
(A) Micro, Small & Medium Enterprises	-	-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	2.20	1.24
(ii) Related Parties	4.81	1.41
Total	7.01	2.65

Notes:
a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act,2006 (MSMED) are provided in Note 36.
b) Terms and Conditions and other balances with related parties are disclosed in Note 29

13.3 Current Liabilities - Other Financial Liabilities

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Other Payables (including Staff Payable)	4.52	1.06
Lease Liability	-	-
Total	4.52	1.06

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14 Other Current Liabilities

(Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
a) Others		
Statutory dues	0.12	2.42
Total	**0.12**	**2.42**

Notes:

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

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15 Provisions

(Rs. in crore)

Particulars	Foot Note	31 March 2020	31 March 2019
Provision for Employee Benefits		-	-
Other Provisions	15.1	15.67	150.21
Total		**15.67**	**150.21**
Current		**15.67**	**150.21**
Non Current		-	-

15.1 Other Provisions :

(Rs. in crore)

Particulars	Demobilisation	Maintenance	Foreseeable Loss	Design Guarantee	Legal Cases	Other Expenses	Total
As at 31-March-2018	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
Non Current	-	-	-	-	-	-	-
Provision made during the year	-	-	-	-	-	150.21	150.21
Less: Utilization during the year	-	-	-	-	-	-	-
Less: Write Back during the year	-	-	-	-	-	-	-
(Exchange Gain) / Loss	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-
As at 31-March-2019	-	-	-	-	-	**150.21**	**150.21**
Current	-	-	-	-	-	150.21	150.21
Non Current	-	-	-	-	-	-	-
Provision made during the year	-	-	-	-	-	24.82	24.82
Less: Utilization during the year	-	-	-	-	-	(159.36)	-159.36
Less: Write Back during the year	-	-	-	-	-	-	-
As at 31-March-2020	-	-	-	-	-	**15.67**	**15.67**
Current	-	-	-	-	-	15.67	15.67
Non Current	-	-	-	-	-	-	-

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16 Revenue from Operations

(Rs. in crore)

	For the year ended 31st March 2020	For the year ended 31st March 2019
Construction Contract revenue under SCA (Refer Note 24)	25.20	351.33
Revenue from Toll Operations (Refer Note 24 & 34)	45.20	4.74
Other Operating Revenue	0.01	-
Total	**70.41**	**356.07**

17 Other Income

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Income :		
Bank Interest Gross		
Less:- Interest Passed to Clients	0.31	0.73
Others :		
Miscellaneous Income	0.02	0.09
Total	**0.33**	**0.82**

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18 Project and Other Expenses

(Rs. in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Work Expenses		163.93	158.27	-	-
Toll Road Operation Expenses		8.75	1.07		
Work Sub Contract (Change of Scope)		0.25	15.27	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		0.84	2.03	-	-
Repairs and Maintenance of Machinery		0.01	0.08	-	-
Rent - Non-residential		0.08	0.09	-	-
Power, Electricity and Water charges		1.82	0.99	-	-
Insurance		0.69	0.52	-	-
Travelling & conveyance		0.03	0.03	-	-
Printing & stationery		0.02	0.01	-	-
Postage, telephone & telex		0.05	0.02	-	-
Legal & Professional charges		0.08	0.17	-	-
Auditors remuneration	(i)	-	-	0.01	0.01
Advertisement & publicity		-	-	0.07	0.04
Corporate social responsibility (Refer Note 37)		-	-	-	0.05
Miscellaneous expenses		0.01	0.07	-	-
Provisions (Addition - Write Back) (Refer Note 15)		24.82	150.21	-	-
Provisions Utilised (Refer Note 15)		(159.36)	-	-	-
Total		**42.02**	**328.83**	**0.08**	**0.10**

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

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

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19 Employee Remuneration and Benefits

(Rs. in crore)

Particulars	Foot Note	For the year ended 31st March 2020			For the year ended 31st March 2019		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus		2.42	-	2.42	2.36	-	2.36
Contribution to Provident and Other Funds		0.15	-	0.15	0.14	-	0.14
Foreign Service Contribution		-	-	-	-	-	-
Retirement Benefits		0.25	-	0.25	0.29	-	0.29
Staff Welfare		-	-	-	-	-	-
Total		2.82	-	2.82	2.79	-	2.79

Foot Notes:-
(i) Refer note 29 for details of remuneration to Directors and Key Management Personnel.

20 Finance Costs

(Rs. in crore)

Particulars	Foot Note	For the year ended 31st March 2020		For the year ended 31st March 2019	
Interest Expense (Refer note no. 38(k))		19.94		25.22	
Less:- Interest earned on Loan funds		-	19.94	0.01	25.21
Other Borrowing Cost					
- Bank Guarantee & Other Charges			0.01		0.01
Total			19.95		25.22

21 Depreciation, Amortisation and Impairment

(Rs. in crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation of Property, Plant and equipment	0.01	-
Depreciation of Right to Use - Lease Assets	-	-
Amortization of Intangible Assets	23.03	2.77
Depreciation of Investment Property	-	-
Total	23.04	2.77

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Notes to Financial Statements for the year ended March 31, 2020

Note:-22 **Details of Related Party Transactions during the year**

(Rs. in Cr.)

Name of Related Party	Particular	For the year ended 31st March 2020	For the year ended 31st March 2019	Outstanding Amount For the year ended 31st March 2020	Outstanding Amount For the year ended 31st March 2019
IRCON (H.O.)	Investment in Equity			165.00	165.00
	Loan (Draw)	136.89	97.00	417.22	337.85
	Loan (Repayment)	57.52			
	Interest On Loan	19.94	25.21		
	Other Payables			0.22	0.80
IRCON (Project)	Other Payables - Project			4.81	1.41
	Rendering of services				
IRCON (H.O.)	Rent (excl GST)	0.02	0.02		
IRCON (Project)	Works Contract (excl GST)	135.61	154.91		
	Utility Shifting (excl GST)	-			
	COS				

IRCON PB TOLLWAY LIMITED (CIN - U45400DL2014GOI272220)
Notes to Financial Statements for the year ended March 31, 2020

Note:-23
A. Fair Value Measurements
(i) Category wise classification of Financial Instruments

Financial assets and financial liabilities are measured at fair value in these financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2020 are as follows:

(Rs. in crore)

Particulars	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments	-	-	-	-
(ii) Loans	0.00	-	-	-
(iii) Trade Receivables	9.66	-	-	-
(iv) Cash and Cash Equivalents	12.76	-	-	-
(v) Other Bank Balances	-	-	-	-
(vi) Other Financial Assets***	52.13	-	-	-
Total	74.55	-	-	-

(Rs. in crore)

Particulars	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	379.29	-	-	
(ii) Trade Payables	7.01			
(iii) Other Financial Liabilities***	4.52	-	-	
Total	390.82			

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

(Rs. in crore)

Particulars	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-

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Particulars	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Assets at Amortized Cost				
(i) Investments		-	-	-
(ii) Loans	0.00	-	-	-
(iii) Trade Receivables	15.15	-	-	-
(iv) Cash and Cash Equivalents	1.29	-	-	-
(v) Other Bank Balances	-	-	-	-
(vi) Other Financial Assets***	113.78	-	-	-
Total	130.22	-	-	-

(Rs. In crore)

Particulars	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	337.85	-	-	-
(ii) Trade Payables	2.66	-	-	-
(iii) Other Financial Liabilities***	1.06	-	-	-
Total	341.57	-	-	-

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

The fair 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:

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

ii) Investment in subsidiaries and joint ventures are classified as equity investments have been accounted at historical cost. since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

* During the financial year 2019-20 and 2018-19, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.
*** Other financial assets and other financial liabilities includes certain items which are recognized at transaction price, as the effect of measuring these at fair value is immaterial.

B. Financial Risk Management

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

a) Market Risk

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

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(i) Foreign Currency Risk

The company operates internationally and is exposed to insignificant foreign currency risk (since receipts & payments in foreign currency are generally matched) arising from foreign currency transactions, primarily with respect to the US $, EURO, YEN, BDT, DZD, LKR, MZN, BTN, ZAR, NPR amd MYR. Significant foreign currency risk of company are naturally hedged.

As of March 31, 2020 and March 31, 2019, every 1% increase or decrease of the respective foreign currency would impact our profit before tax by approximately Rs. NIL and Rs. NIL respectively.

(ii) Interest Rate Risk

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

b) Credit Risk

The Company's customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank / corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Trade and other receivable

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

Exposure to Credit Risk

(Rs. in crore)

Particulars	31-03-20	31-03-19
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Non Current Investments	-	-
Non Current Loans	-	0.00
Other Non Current Financial Assets	0.99	1.00
Current Investments	-	-
Cash and Cash Equivalents	12.76	1.29
Other Bank Balances	-	-
Current Loans	0.00	-
Other Current Financial Assets	51.13	112.79
	-	-
Financial Assets for which allowance is measured using Simplified Approach	-	-
Trade Receivables	9.66	15.15
Contract Assets	-	

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Summary of change in loss allowances measured using Simplified approach

Particulars	31-03-20	31-03-19
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written-off	-	-
Closing Allowances	-	-

During the year, the Company has recognised loss allowance of Rs. 0.83 crore (31 March, 2019 : Rs. 0.83 crore).

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

Particulars	31-03-20	31-03-19
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written-off	-	-
(Exchange Gain) / Loss	-	-
Closing Allowances	-	-

No significant changes in estimation techniques or assumptions were made during the reporting period.
During the year, the Company has recognised loss allowance of Rs. 0.69 crore (31 March, 2019 : Rs. 0.69 crore).

c) Liquidity risk

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

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The senior Management of the Company oversees its investment strategy and achieve its investment objectives. The Company typically invests in government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss.

The NHAI bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

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

(Rs. in crore)

Particulars	As on 31 March, 2020		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	187.52	68.85	160.85
Trade payables	7.01	-	-
Other financial liabilities	4.52	-	-

(Rs. in crore)

Particulars	As on 31 March, 2019		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	68.85	160.85	80.00
Trade payables	2.66	-	-
Other financial liabilities	1.06	-	-

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d) Excessive risk concentration

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

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

C. Capital Management

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

Debt Equity Ratio :- **(Rs. In crore)**

Particulars	**31-Mar-20**	**31-Mar-19**
Borrowings (Note No. 12.1 & 13.1)	379.29	309.70
Long Term Debt	**379.29**	**309.70**
Equity (Note No. 10)	165.00	165.00
Other Equity (Note No. 11)	-15.37	1.81
Total Equity	**149.63**	**166.81**
Debt Equity Ratio	**2.53**	**1.86**

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

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

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

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

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

Ircon PB Tollway Limited (IPBTL) (the operator) has entered into a service concession arrangement with National Highway Authority of India (NHAI) dated 7th November 2014 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 Bikaner Palaudi Section and to exercise and/or enjoy the rights, powers, benefits, privileges authorizations and entitlements upon its completion. In terms of the said agreement IPBTL has an obligation to complete construction of the project of four laning of Bikaner Palaudi section and to keep the project assets in proper working condition including all projects assets whose lives have expired.

The Concession period shall be 26 years commencing from the appointment date which is 14th October 2015. 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 Ircon PBTL have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

The Company recognizes revenue and cost in accordance with Ind AS 115 by reference to the construction's stage of completion. The Company measures contract revenue at the fair value of the consideration receivable. During the arrangement's construction phase, the Company's assets of 520.76 crores (representing its accumulating right to be paid for providing construction services minus the Equity support due from NHAI) is classified as an intangible assets (license to charge user of the infrastructure). SInce the provisional COD has been received on 15.02.19 for 95.96% physical completion, Intangible asset has been created upto that extent. Rs 16.93 Crores is lying as Intangible Assets under development as on 31.03.20. The Company has recognized revenue of Rs. 25.20 Crores on construction of intangible assets under service concession agreement for the financial year upto 31.03.20. *The Company has recognized nil profit on construction of intangible assets under service concession arrangement .The revenue recognized in relation to construction of intangible assets under service concession arrangement represents the fair value of services provided towards construction of intangible assets under service concession arrangement.* The operation of toll road has commenced from 15th Feb 2019 after 95.96% physical completion of the Toll Road , and the during the year company has recognised usage fee as revenue of Rs. 45.20 Crores (Previous Year - Rs. 4.74 Cr) from operation of toll roads.

Usage fee collected over and above the traffic cap as per the concession agreement is termed as excess fee. Since the Toll Road has not yet been 100% completed and impact of excess fee at present is not ascertainable, no provision or assessment of the same has been done .

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

	Amount in Rs Crores	
Particulars	**31-03-20**	**31-03-19**
Revenue recognized from construction services	25.20	351.33
Revenue recognised from toll-Usage fee	45.20	4.74
Aggregate amount of cost incurred and recognized in Profit/Loss	25.20	351.33
Gross amount due from Client for Contract Works	9.66	15.15

Note 24 (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 entity owning 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. Amount yet to be received from NHAI to the tune of 2.71 crores is shown under Other financial assets current . Refer note 7.4

IRCON PB TOLLWAY LIMITED
Notes to Financial Statements for the year ended March 31, 2020

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

Changes in significant accounting policies:-

Policy 2.15'Leases' has been modified in the significant accounting policies due to the applicability of Ind AS 116 "Leases".

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

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

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

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

(Rs. in crore)

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

The Company has lease contracts for Rented office premises only. These leases are either below 12 months or of low value. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note xx for the accounting policy on Ind AS 116. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company did not have any finance leases.

Leases previously accounted for as operating leases

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

The Company also applied the available practical expedients wherein it:

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

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

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

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

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

(Rs. in crore)

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

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

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

The financial statements line items for the year ended 31 March 2020 which were affected by the change in accounting policy was NIL.

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

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

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Notes to Financial Statements for the year ended March 31, 2020

Note:- 27 Employee Benefits

Disclosures in compliance with Ind AS 19 "Employee Benefits" are as under:

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

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

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

(Rs. in crore)

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

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

(Rs. in crore)

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

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

(Rs. in crore)

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

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Note:- 29 **Related Party Transactions**

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

a) **List of Related Parties**

(i) **Holding Company**

Ircon International Limited

(ii) **Non- Executive Directors**

Name	Designation
Shri Deepak Sabhlok	Chairman (upto 31st October 2019)
Shri Shyam Lal Gupta	Chairman (w.e.f. 1st November 2019)
Shri Ashok Kumar Goyal	Director
Shri Rajendra Singh Yadav	Director
Shri Anand Kumar Singh	Director (upto 4th September 2019)
Ms. Anupam Ban	Director (upto 30th August 2019)
Ms. Bhuvaneshwari Krishnan	Director (w.e.f. 19th September 2019)

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

Other Members identified as Key Management Personnel (KMP)

Name	Designation
Shri Atul Kumar	Chief Executing Officer (upto 8th April 2019)
Shri Mahendra Kumar Sharma	Chief Executing Officer (w.e.f. 08/04/2019 upto 31st May 2019)
Shri Atul Kumar	Chief Executing Officer (re-appointed w.e.f. 31st May 2019)
Shri Sanjay Poddar	Chief Financial Officer (upto 10th October 2019)
Shri Bhushan Kumar	Chief Financial Officer (upto 3rd February 2020)
Shri Manjur Mohammad Gouri	Chief Financial Officer (w.e.f. 18th March 2020)

Company Secretary

Name	Designation
Ms. Sudhodhani	Company Secretary (Up to 31st Oct 2019)
Ms. Anuradha Kaushik	Company Secretary (w.e.f. 31st January 2020)

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

(Rs. in crore)

S.No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
1	Short term employee benefits	0.59	0.66
2	Post employment benefits	0.08	0.08
3	Other long-term employee benefits	0.01	0.01
4	Termination benefits	0.00	0.00
5	Sitting fees	0.00	0.00
	Total	0.68	0.75

Transactions with other related parties are as follows:

(Rs. in crore)

S.No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2020	For the year ended 31st March 2019
1	**Sale of goods and services**				
1.1	**Contract Revenue**	Ircon International Lmited	Holding Company		
1.2	**Rent Income**	Ircon International Lmited	Holding Company		
2	**Purchase of goods and services**	Ircon International Lmited	Holding Company	135.61	154.91
3	**Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)**	Ircon International Lmited	Holding Company	0.02	0.02
4	**Interest Expense**				
4.1	**Interest Expense on Loan**	Ircon International Lmited	Holding Company	19.94	25.21
5	**Repayment of Loans**	Ircon International Lmited	Holding Company	57.52	-
6	**Advances /Loans Received**	Ircon International Lmited	Holding Company	136.89	97.00
7	**Any Other transaction not covered above**				

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c) **Outstanding balances with the related parties are as follows:** (Rs. in crore)

S.No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2020	As at 31st March, 2019
1	Equity Received (Liability)	Ircon International Limited	Holding Company	165.00	165.00
5	Borrowings	Ircon International Limited	Holding Company	417.22	337.85
6	Amount Payable towards				
6.1	Trade Payables	Ircon International Limited	Holding Company	4.81	1.41
6.8	Other Payables	Ircon International Limited	Holding Company	0.22	0.80

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

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

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

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

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Note:- 30 Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'
Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

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

Particulars	Note	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit attributable to Equity holders (Rs. in crore)	(ii)	-17.18	-2.11
Weighted average number of equity shares for Basic and Diluted EPS	(iii)	17	17
Earnings per share (Basic)		-1.04	-0.13
Earnings per share (Diluted)		-1.04	-0.13
Face value per share		10.00	10.00

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year as per Statement of Profit and Loss	-17.18	-2.11
Profit attributable to Equity holders of the company used for computing EPS:	**-17.18**	**-2.11**

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening balance of issued equity shares	16.50	16.50
Equity shares issued during the year	-	-
Weighted average number of equity shares for computing Basic EPS	**16.50**	**16.50**
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	**16.50**	**16.50**

Note:- 31 Impairment of Assets

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

Note:- 32 Provisions, Contingencies and Commitments

(i) Provisions
The nature of provisions provided and movement in provisions during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are disclosed in Note-15

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

(Rs. in crore)

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

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(iii) Commitments

(Rs. in crore)

	Particulars	Foot Note	As at 31st March 2020	As at 31st March 2019
a)	**Capital Commitments**			
	Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	2.77	214.55
b)	**Other Commitments**			
(i)	Funding committed by way of equity and loans in Subsidiary Companies	2	0.00	0.00
(ii)	Funding committed by way of equity and loans in Joint Venture Companies	3	0.00	0.00
(iii)	Counter Bank Guarantee for Subsidiary Companies	4		
	There are certain claims against the Company not acknowledged as debt ofRs. 7.20crore (Rs. 7.20crore) net of provisions of Rs. NILcrore (Rs.NILcrore). Due to operational issues (delay in approval of drawings, demand of local villagers, utility shifting, land acquisition and availability, forest clearance etc.), there are delays in achieving project milestone. Company has filed a request to NHAI for modification of milestone timelines under clause 12.4.2 of the concession agreement without damage / financial implication on part of the company. Company has received an intimation from the Independent Engineer regarding the delay in achieving milestone. Further, NHAI has deducted a sum of Rs. 7.20 Crores on account of damages upto31stMarch 2020 (Rs. 7.20 Crs till 31st March 2019). The Company is already communicated to NHAI that delay is not attributable to IPBTL. Hence, IPBTL has not recognized claim against the delay as a liability or a contingent liability. Amount of Rs. 7.20 Crs is considered good as other receivables under other financial assets- current and is yet to be received from / confirmed by NHAI.		2.77	214.55

Foot Note:

(Rs. in crore)

1

S.No	Capital Commitments	As at 31st March 2020	As at 31st March 2019
1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipment		
2	Estimated amount of contracts remaining to be executed on Investment Property		
3	Estimated amount of contracts remaining to be executed on Intangible Assets under development	2.77	214.55
	Total	**2.77**	**214.55**

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Note :- 33 **Segment Reporting**

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

A. General information

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

The Company has determined reportable operating segments from geographical perspective.

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

(Rs. in crore)

Particulars	International		Domestic		Total	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Segement Revenue						
Revenue from external customers			70.41	356.07	70.41	356.07
Add : Company's share of turnover in integrated joint operations					-	-
Total Operating Revenue	-	-	70.41	356.07	70.41	356.07
Interest income			0.31	0.73	0.31	0.73
Other Income			0.02	0.09	0.02	0.09
Inter - segment					-	-
Total Revenue	-	-	70.74	356.89	70.74	356.89
Segement Result						
Profit before provision, depreciation, interest and exceptional item and tax	-	-	160.36	(181.02)	160.36	(181.02)
Less: Provisons and write back			(134.54)	150.21	(134.54)	150.21
Less: Depreciation,amortization and			23.04	2.77	23.04	2.77
Less: Interest			19.95	25.22	19.95	25.22
Profit before tax			(17.17)	(2.82)	(17.17)	(2.82)
Less: Tax expense			(0.01)	0.71	(0.01)	0.71
Profit after tax	-	-	(17.18)	(2.11)	(17.18)	(2.11)

C.Other Information

(Rs. in crore)

Particulars	International		Domestic		Total	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Total Assets			594.17	661.00	594.17	661.00
Total Liabilities			444.54	494.19	444.54	494.19
Investment in joint ventures accounted for by equity method			-	-		
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets			-	-	-	-
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)*			12.17	248.06	12.17	248.06

*The Capital expenditure amount is net of Equity cash support given by NHAI (Refer note 4)

D. Information about major customer

The Company is engaged in the business of construction , operation , maintenance of Toll Road and its major revenue is from the collection of the Toll Proceeds from the vehicles that use the said Toll Road. Approximately 63.53% (1.33%) of the revenue has arisen from these during the period ended March 31, 2020, in the Domestic Segment only. Remaining approximately 36.44% (98.66%) revenue is for construction of Toll Road under service concession agreement with NHAI.

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Note:- 34 **Disclosure as required by Ind AS 115 "Revenue from contract with customers"**

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

(Rs. in crore)

Type of Product or Services	For the year ended March 31, 2020						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways	-	-	-	-	-	-	-
Highway	70.41	-	70.41	70.41	-	-	70.41
Electrical	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	70.41	-	70.41	70.41	-	-	70.41

Out of the total revenue recognised under Ind AS 115 during the year, Rs 25.20 crore is recognised over a period of time and Rs. 45.80 crore recognised point in time.

(Rs. in crore)

Type of Product or Services	For the year ended March 31, 2019						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways	-	-	-	-	-	-	-
Highway	356.07		356.07	356.07			356.07
Electrical	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	356.07	-	356.07	356.07	-	-	356.07

Out of the total revenue recognised under Ind AS 115 during the year, Rs 351.33 crore is recognised over a period of time and Rs.4.74 crore recognised point in time.

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

C. **Contract balances**

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Receivables (Note 7.1)	9.66	15
Contract Assets (Note 5.1 and 7.4)	1.84	1.84
Contract Liabilities	-	-

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

(ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the year

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Contract asset at the Beginning of the year	1.84	1.84
Contract asset at the end of the year	1.84	1.84
Net increase/decrease	-	-

For the year 2019-20, there has been net reduction by Rs NIL as compared to last year. The amounts relate to Money withheld for Rs 0.88 Lakhs and Rs 0.96 Lakhs on account of Retention money, which is expected to be received after final completion of the project. Further, the company has not recognized these mounts at its Fair Value in accordance with IND AS 109, as per the management the impact of fair value is marginal and also non recognition at fair value is consistent with Company's group accounting policies and consistent with previous years.

(Rs. in crore)

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

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

(Rs. in crore)

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

E. **Cost to obtain the contract**
Amount recognised as asset as at 31st March, 2020 is Rs. Nil (As at 31st March, 2019: Rs. Nil)
Amount of amortisation recognised in the tatement of profit and loss during the year is Rs. Nil (FY 2018-19: Rs. Nil)

F. **Performance obligation**
Information about the Company's performance obligations are summarised below:
The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs. in crore)

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

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Note :- 35 Leases

a) Company as a Lessee

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

Lease Liabilities

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

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

The maturity analysis of the lease liability is included in Note - 31 Financial risk management objectives and policies under maturities of financial liabilities.

Amounts recognised in Statement of Profit and Loss

	(Rs. in crore)
	For the year ended 31st March 2020
Depreciation expense of right-of-use assets	-
Interest expense on lease liabilities	-
Expense relating to short-term leases (Refer Note 18)	0.08
	0.08

b) Company as a Lessor

At present, Company has not given any item on lease.

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

(Rs. in crore)

S.No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	-	-
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

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'Note:- 37 **Corporate Social Responsibility Expenses (CSR)**

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:-

a) **Amount required to be spent on CSR Activities**

(Rs. in crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Gross amount required to be spent by the Company during the year	-	-

b) **Amount spent on CSR Activities**

(Rs. in crore)

Particulars	For the year ended 31st March 2020			For the year ended 31st March 2019		
	Paid in Cash	Yet to be Paid	Total	Paid in Cash	Yet to be Paid	Total
On Construction/acquisition of asset*			-	0.12		0.12
On purposes other than above			-	0.01		0.01
Total	-	-	-	0.13	-	0.13

*Assets purchased and handed over to respective organisation and are not being held by the Company. The amount expended in 2018-19 is the carried forward amount of previous years, utilised in 2018-19.

c) **Balance amount to be spent on CSR Activities**

(Rs. in crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Gross amount required to be spent by the Company during the year (as per (a) above)	-	-
Amount spent by the Company during the year (as per (b) above)	-	0.13
Balance amount to be incurred by the company	-	-

d) **Break-up of the CSR expenses under major heads is as under:-**

(Rs. in crore)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Contribution to Prime Minister CARES Fund for fighting against COVID-19	-	-
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	-	-
Promoting Education, including special education and employment enhancing vocation skills especially among children.	-	-
Ensuring environmental sustainability	-	-
Sports	-	-
Others (including Other Admin Cost)	-	0.13
	-	0.13

'Note:- 38 **Other disclosures**

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

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

c) Company has received provisional Commercial Operation Date (COD) on 15th Feb 2019 for work awarded by NHAI for widening and strengthening of the existing Bikaner – Phalodi Section to 4 lane from Km. 4.200 to Km. 55.250 and 2 Lane with Paved shoulder from Km. 55.250 to Km. 163.50 of NH 15 in the state of Rajasthan on DBFOT (Design, Built, Finance, and Operate & Transfer) basis.

Company has completed physical progress as per certified Independent Engineer's assessment for the month of Feb 19 at 95.93%. Based on the physical progress achieved at that time and the approved estimated costs at that time an amount of Rs 520.75 crores had been transferred to Intangible Asset- Toll Road (refer note 4). In the current financial year the total completion upto 31.3.2020 achieved was upto 99.65% and final completion of 100% was not achieved further additions to the asset has not been created. The incremental addition has been capitalised under Intangible Assets under development.

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N. DELHI
CHARTERED ACCOUNTANTS

d) As per Indian Accounting Standard (Ind AS) 115 Annexure C, on Accounting for Service concession agreements – Cash Support from NHAI are recognized at their fair value where there is a reasonable assurance that the grant - Cash support will be received and the company will comply with all attached conditions. The Accounting treatment of the same has been made as per the mentioned Ind AS 115

Grant recognized by the company as per service concession agreement is Rs. 327 Crs(previous year Rs. 313.85Crs) based on the Original project cost and original financial package. The same has been considered as due. Further company has reduced Intangible Assets – Road by amount of grant recognized

Out of total amount due, company has received Rs. 280.05 crore uptill 31st March 2020. Balance amount of Rs. 47.82 Crore(Including Rs 88 Lacs on account of Money Withheld) has been received by the COmpany in the financial year 2020-21 before the signing of these financials

e) As per Service Concession Agreement entered with NHAI, 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.

Company has subcontracted the entire work of Utility Shifting to IRCON International Limited on back to back basis after approval from NHAI. Upto 31st March 2020, IRCON International Limited has billed an amount of Rs. 31.46 crores to the company. Company has filed claims to NHAI from time to time and the same is under reconciliation. An amount of Rs. 28.75 Crs. (Incl TDS) has been received from NHAI till 31stMarch 2020 against these claims. Balance amount of Rs. 2.71 Crs is considered as other receivables under other financial assets- current and is under reconciliation with the NHAI and is yet to be received from / confirmed by NHAI

f) An amount of VAT on works contract receivable for Rs 57.47 Lakhs is appearing in other current assets being the VAT deducted by NHAI in the previous VAT regime on utility shifting. Efforts are being made for recovery of the same from the Client / Tax Department. Recovery of amount due from NHAI on account of Utility shifting is under reconciliation.

g) Company has received approval from NHAI for 'Change of Scope' for Rs 25.89 Crore . As per the Article 16.3.2 of the Service Concession Agreement, 0.25% of the total project cost shall be borne by IPBTL and the balance shall be reimbursed by the NHAI. Company has raised invoice to NHAI for work done under Change of Scope of Rs. 13.98 Crore up to 31/03/2020. Amount of Rs. 13.98 Croreis considered as trade receivable out of which Rs. 4.95 crore received and balance of Rs. 9.04 is under reconciliation with the NHAI and is yet to be received from / confirmed by NHAI.

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

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

j) The interest rate of Loan is under review and interest payable for the loan has been deferred. The Company has provided for Interest on Loan for Rs 19.93 Crores upto 30.9.2019 under the head "Interest on Loan". Interest amount for the period after this date has not been provided since the same is not considered due and payable.

As per our Report of even date attached

For A.N. Garg & Co
Chartered Accountants
FRN 004616N

A.N. Garg
FCA Partner
M. No. 083687
UDIN 20083687AAAADU8630

Place : New Delhi
Date : 24/6/2020

For and on behalf of Ircon PB Tollway Limited

(S.L.Gupta) (Chairman) Din No. 07598920	(R.S Yadav) Director Din No.07752915	(Bhuvaneshwari Krishnan) Director Din No. 07486148
(Atul Kumar) (Chief Executive Officer)	(Manjur M Gouri) (Chief Financial Officer)	Anuradha Kaushik (Company Secretary)

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 PB TOLLWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

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

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

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

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

Place: New Delhi
Dated: 28.08.2020

IRCON PB TOLLWAY LIMITED (‘IrconPBTL’)

(Bikaner-Phalodi Highway Project, NH-15, Rajasthan)

Registered & Corporate Office:

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