



इरकॉन इन्टरनेशनल लिमिटेड
(भारत सरकार का उपक्रम)
IRCON INTERNATIONAL LIMITED
(A Govt. of India Undertaking)
An integrated Engineering and Construction Company



IRCON/SECY/STEX/124

2nd July, 2021

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Plot no. C-1, Block G, BKC,
Bandra (E), Mumbai- 400 051
Scrip Code: IRCON

Sub: Clarification with respect to the announcement dated 30th June, 2021

Dear Sir/ Madam,

This has reference to clarification sought by NSE with respect to the announcement made by IRCON on 30th June, 2021 regarding furnished Corporate Guarantee to Bank of Baroda (BoB).

We would like to submit that Ircon International Limited (IRCON) has been awarded the project for development, maintenance and management of Eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase – VI Hybrid Annuity Mode (HAM) (Phase IA-Package II) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Bid Project Cost awarded by NHAI is Rs.1865 crore for a Concession Period of 17 years.

As per the contract requirement of NHAI, IRCON has incorporated a wholly owned subsidiary named Ircon Vadodara Kim Expressway Limited (IrconVKEL) as a Special Purpose Vehicle on 16th May, 2018 for execution of the Project. The Project is to be financed by way of equity & debt where equity and debt was met by IRCON. However, for debt funding, BoB has sanctioned the Term Loan of Rs.724.12 Crore to IrconVKEL with the condition of submission of Corporate Guarantee by IRCON i.e. holding company. Accordingly, IRCON has executed the Corporate Guarantee Deed with BoB which is valid till receipt of first Annuity from NHAI i.e. upto 180 days from commercial operation date (COD). The expected date of COD is 2 years from the date of award of project by NHAI. Hence, the Corporate Guarantee is valid upto 2.5 years from the award of the Project.

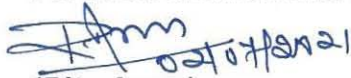
This is to further submit that:

- (1) Corporate Guarantee is furnished by IRCON; its promoters have no interest in the transaction directly.
- (2) Transaction is at arm's length basis.
- (3) Post disbursal of loan by Bank of Baroda to IrconVKEL, IrconVKEL will repay the existing loan of IRCON of Rs.589.50 crore, thereby reducing the financial investments of IRCON.

Thanking you,

Yours faithfully,

For Ircon International Limited


(Ritu Arora)

Company Secretary & Compliance Officer
Membership No.: FCS 5270

