



# 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

12<sup>th</sup> November, 2020

BSE Limited Listing Dept./ Dept of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip code / ID: <b>541956 / IRCON</b>	National Stock Exchange of India Limited Listing Department Exchange Plaza, Plot no. C/I, G Block Bandra –Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Code: <b>IRCON</b>
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### Sub: Disclosure of Related Party Transactions

Dear Sir/ Madam,

Pursuant to Regulation 23 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, please find enclosed the note on related party transactions of Ircon International Limited, on consolidated basis, for the period ending 30<sup>th</sup> September 2020.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For **Ircon International Limited**

(Ritu Arora)

Company Secretary & Compliance Officer

Membership No: FCS 5270



**IRCON International Limited**

**Related Party Transactions as on 30th September, 2020**

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

a) **List of Related Parties**

(i) **Subsidiary Companies**

Iron Infrastructure and Services Limited  
Iron PB Tollway Limited  
Iron ShivpuriGuna Tollway Limited  
Iron Davanagere Haveri Highway Limited  
Iron Vadodara Kim Expressway Limited

(ii) **Joint Venture Companies**

Iron-Soma Tollway Private Limited  
Chhattisgarh East Railway Limited  
Chhattisgarh East-West Railway Limited  
Mahanadi Coal Rail Limited  
Jharkhand Central Railway Limited  
Baster Railway Private Limited  
Indian Railway Station Development Corporation Limited

(iii) **Unincorporated Joint Ventures (Joint Operations)**

**Joint Operations in Operation**

IRCON-AFCONS  
Express Freight Consortium  
Express Freight Railway Consortium

**Completed Joint Operations**

International Metro Civil Contractor  
Metro Tunnelling Group

**Financially Closed Joint Operations**

Iron-COBRA-ELIOP  
Iron- Sree Bhawani Builders  
Iron-SMJ Project JV  
Iron-GANNON Dunkerly  
Iron-RCS-PFLEIDERER  
IRCON-SPSCPL  
RICON

(iv) **(A) Key Management Personnel (KMP)**

**Whole Time Directors**

Name	Designation
Shri S.K. Chaudhary	CMD & Chief Executing Officer (CEO)
Shri M.K. Singh	Director (Finance) & Chief Financial Officer (CFO)
Shri Shyam Lal Gupta	Director (Projects)
Shri Yogesh Kumar Misra	Director (Works)

**Company Secretary**

Name	Designation
Ms. Ritu Arora	Company Secretary

**(B) Other Directors**

**Independent Directors**

Name	Designation
Shri Ashok Kumar Ganju	Non-executive Director

(v) **Post Employment Benefit Plans**

Iron Gratuity Trust  
Iron Employees Contributory PF Trust  
Iron Medical Trust  
Iron Defind Contribution Superannuation Pension Scheme, 2009 Trust

(vi) **Government Related Entities:**

The Company is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways. The Company is controlled by Government of India (GOI), by holding 89.18% of equity shares in the name of President of India as at 30th September, 2020. Pursuant to Para 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. The Company has significant transaction with the following government related entities:

Name of the Entity	Relationship
Ministry of Railways	Controlling Entity
Rail Land Development Authority	Statutory Authority under Ministry of Railways
Indian Railway Finance Corporation	Railway PSU

  
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IRCON International Limited

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

(Rs. in crore)

S.No.	Particulars	For the year ended 30th Sep 2020
1	Short term employment benefits (i)	1.27
2	Other long-term employment benefits	0.15
3	Sitting fees	0.07
	<b>Total</b>	<b>1.49</b>

Note: (i) Figures include PRP of Rs. 0.18 crore paid during the year.

(ii) Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

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 30th Sep 2020
1	Sale of goods and services			
1.1	Contract Revenue	Ircan Infrastructure and Services Limited Ircan PB Tollway Limited Ircan Davanagere Haveri Highway Limited Ircan Vadodara Kim Expressway Limited Chhattisgarh East Railway Limited Chhattisgarh East-West Railway Limited Mahanadi Coal Rail Limited Baster Railway Private Limited Express Freight Consortium Express Freight Consortium Ministry of Railways	Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Operations Joint Operations Government Related Entities	1.35 6.40 80.00 43.17 74.98 6.85 4.92 5.45 171.01 0.72 808.67
1.2	Rent Income	Ircan Infrastructure and Services Limited Ircan PB Tollway Limited Ircan ShivpuriGuna Tollway Limited Ircan Davanagere Haveri Highway Limited Ircan Vadodara Kim Expressway Limited Ircan-Soma Tollway Private Limited	Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies	0.09 0.01 0.01 0.01 0.01 0.02
2	Purchase of goods and services	Ircan Infrastructure and Services Limited	Subsidiary Companies	1.64
3	Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)	Ircan Infrastructure and Services Limited Ircan PB Tollway Limited Ircan ShivpuriGuna Tollway Limited Ircan Davanagere Haveri Highway Limited Ircan Vadodara Kim Expressway Limited Ircan-Soma Tollway Private Limited Chhattisgarh East Railway Limited Baster Railway Private Limited Indian Railway Station Development Corporation Limited	Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies	1.73 0.40 0.25 0.11 0.02 0.10 0.28 0.68 0.66
4	Interest Income			
4.1	Interest Income on loans	Ircan ShivpuriGuna Tollway Limited Ircan Davanagere Haveri Highway Limited Ircan Vadodara Kim Expressway Limited Chhattisgarh East-West Railway Limited	Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies	21.32 11.91 6.99 1.98
4.2	Interest Income on Advances	Ministry of Railways Rail Land Development Authority	Government Related Entities Government Related Entities	50.56 83.01
4.3	Interest Income on Bonds	Indian Railway Finance Corporation	Government Related Entities	8.58
5	Dividend			
5.1	Dividend distribution	Ministry of Railways	Government Related Entities	86.39
5.2	Dividend Income Passed on	Ministry of Railways	Government Related Entities	0.03
6	Interest Expense			
6.1	Interest Expense on Advance	Ircan Davanagere Haveri Highway Limited Ircan Vadodara Kim Expressway Limited Mahanadi Coal Rail Limited	Subsidiary Companies Subsidiary Companies Joint Venture Companies	0.52 1.97 0.04
6.2	Interest Expense on Loan	Indian Railway Finance Corporation	Government Related Entities	83.01
7	Investment in Equity Shares	Indian Railway Station Development Corporation Limited	Joint Venture Companies	12.00
8	Loans granted	Ircan Davanagere Haveri Highway Limited Ircan Vadodara Kim Expressway Limited	Subsidiary Companies Subsidiary Companies	56.50 1.50

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S.No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 30th Sep 2020
9	Recovery of Loans	Iron PB Tollway Limited Iron ShivpuriGuna Tollway Limited	Subsidiary Companies Subsidiary Companies	57.82 21.50
10	Recovery of Advances	Rail Land Development Authority	Government Related Entities	615.31
11	Repayment of Loans	Indian Railway Finance Corporation	Government Related Entities	615.31
12	Advances Received	Chhattisgarh East Railway Limited Chhattisgarh East-West Railway Limited Ministry of Railways	Joint Venture Companies Joint Venture Companies Government Related Entities	3.11 13.74 928.68
13	Repayment of Advances	Iron Davanagere Haveri Highway Limited Iron Vadodara Kim Expressway Limited Chhattisgarh East Railway Limited Chhattisgarh East-West Railway Limited Ministry of Railways	Subsidiary Companies Subsidiary Companies Joint Venture Companies Joint Venture Companies Government Related Entities	13.30 8.06 1.86 4.87 721.01
14	Post Employment Benefit Plans			
14.1	Contribution made during the year	Iron Employees Contributory PF Trust Iron Medical Trust Iron Defind Contribution Superannuation Pension Scheme, 2009 Trust	Post Employment Benefit Plans Post Employment Benefit Plans Post Employment Benefit Plans	25.17 5.67 5.57
14.2	Reimbursements made during the year	Iron Gratuity Trust	Post Employment Benefit Plans	3.04

Note: (i) Refer separate sheet for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations .  
(ii) Purchases from Ministry of Railways are heterogenous in nature, thus immaterial. Hence not disclosed.

  
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IRCON International Limited

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 30th Sep, 2020		
1	Equity Investments (Including Deemed Equity)	Ircon Infrastructure and Services Limited	Subsidiary Companies	65.00		
		Ircon PB Tollway Limited	Subsidiary Companies	165.00		
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	150.00		
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	164.05		
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	135.77		
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	64.15		
		Chhattisgarh East Railway Limited	Joint Venture Companies	122.58		
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	131.17		
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.01		
		Jharkhand Central Railway Limited	Joint Venture Companies	63.00		
		Baster Railway Private Limited	Joint Venture Companies	76.34		
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	52.00		
2	Investment in Bonds	Indian Railway Finance Corporation	Government Related Entities	221.47		
3	Amount Recoverable towards loans granted	Ircon PB Tollway Limited	Subsidiary Companies	359.40		
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	542.65		
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	325.72		
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	182.50		
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	39.00		
4	Amount recoverable other than loans					
4.1	Trade Receivables	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.64		
		Ircon PB Tollway Limited	Subsidiary Companies	7.94		
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.52		
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	54.17		
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	86.56		
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.05		
		Chhattisgarh East Railway Limited	Joint Venture Companies	36.24		
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	2.34		
		Mahanadi Coal Rail Limited	Joint Venture Companies	1.08		
		Express Freight Consortium	Joint Operations	99.61		
		Express Freight Railway Consortium	Joint Operations	0.52		
		Ministry of Railways	Government Related Entities	50.00		
		4.2	Contract Assets			
				(a) Billable Revenue/ Receivable not due and CWIP at Realisable Value		
				Chhattisgarh East Railway Limited	Joint Venture Companies	31.50
Chhattisgarh East-West Railway Limited	Joint Venture Companies			19.68		
(b)	Retention Money and Money Withheld	Express Freight Consortium	Joint Operations	111.63		
		Ministry of Railways	Government Related Entities	103.21		
		Chhattisgarh East Railway Limited	Joint Venture Companies	1.44		
		Mahanadi Coal Rail Limited	Joint Venture Companies	2.85		
4.3	Advance and Claims Recoverable	Express Freight Consortium	Joint Operations	75.96		
		Ministry of Railways	Government Related Entities	1.90		
		Ircon Infrastructure and Services Limited	Subsidiary Companies	2.64		
		Ircon PB Tollway Limited	Subsidiary Companies	0.31		
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.54		
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.14		
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.12		
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.02		
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.21		
		Mahanadi Coal Rail Limited	Joint Venture Companies	1.61		
		Baster Railway Private Limited	Joint Venture Companies	0.68		
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	1.01		
		IRCON-AFCONS	Joint Operations	29.20		
		International Metro Civil Contractor	Joint Operations	3.69		
		Metro Tunnelling Group	Joint Operations	4.43		
Rail Land Development Authority	Government Related Entities	1,870.56				

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S.No.	Nature of transaction	Name of related party	Nature of relationship	As at 30th Sep, 2020
4.4	Interest Accrued on loans	Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	9.30
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	9.98
4.5	Interest Accrued on advances	Rail Land Development Authority	Government Related Entities	78.20
4.6	Interest Accrued on bonds	Indian Railway Finance Corporation	Government Related Entities	13.89
4.7	Recoverables from Trusts	Ircon Gratuity Trust	Post Employment Benefit Plans	6.99
5	Borrowings	Indian Railway Finance Corporation	Government Related Entities	1,845.92
6	Amount Payable towards			
6.1	Trade Payables	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.42
6.2	Contract Liabilities (Advances and Advance Contract Receipts)	Ministry of Railways	Government Related Entities	1,439.61
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	20.74
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	281.14
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	44.55
		Chhattisgarh East Railway Limited	Joint Venture Companies	58.36
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	39.22
		Baster Railway Private Limited	Joint Venture Companies	0.26
		Express Freight Consortium	Joint Operations	124.26
6.3	Other Payable to Client	Ministry of Railways	Government Related Entities	706.03
6.4	Interest Payable on Borrowings	Indian Railway Finance Corporation	Government Related Entities	74.75
6.5	Interest Payable on Advances	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	4.92
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.30
		Ministry of Railways	Government Related Entities	218.65
6.6	Payable to Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	2.13
		Ircon Employees Contributory PF Trust	Post Employment Benefit Plans	0.06

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.

*[Handwritten Signature]*  
*[Handwritten Date]*  
 26/09/2020

## Contingencies and Commitments

## (i) Contingent Liabilities

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

Particulars	Foot Note	As at 31st March 2020	Addition during the year	Claims settled during the year			(Rs. in crore)
				Out of the opening balance	Out of addition during the year	Total Claims Settled during the year	As at 30th Sep 2020
<b>a) Claims against the Company not acknowledged as debts :</b>							
Disputed Direct tax demands							
(i) in respect of the Joint Operations	1	0.24	-	-	-	-	0.24
Disputed Indirect tax demands							
(i) in respect of the Joint Operations	2	4.25	-	-	-	-	4.25
Legal Cases							
(i) in respect of the Joint Operations	3	0.02	-	-	-	-	0.02
<b>b) Guarantees (excluding financial guarantees) issued by the company on behalf of</b>							
Subsidiaries Companies	4	10.00	1.65	-	-	-	11.65
Joint Operations	5	1.40	-	-	-	-	1.40
<b>c) Any other transaction not covered above in respect of Related Parties</b>							
<b>Total</b>		<b>15.91</b>	<b>1.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.56</b>

## Foot Note:

- In case of International Metro Tunnelling Group, a Joint Operation of the Company, income tax authorities during the assessment of FY 2010-11, 2012-13 & 2013-14 has raised demand amounting to Rs. 0.24 crore (Rs. 0.24 crore) on account of Income related to Excise Duty for the FY 2008-09 & 2011-12 declared in later years. The joint operation had filed appeals before the appropriate appellate authorities against these demands for said financial years. The Company is jointly liable for the said demands upto the share of interest in Joint operation. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- In case of International Metro Civil Contractor, a Joint Operation of the Company, there is disputed demand pending with the sales tax authorities amounting to Rs. 4.25 crore (Rs. 4.25 crore) on account of disallowance of labour expenses. The joint operation had filed appeals before the appropriate appellate authorities against the demand. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- One of the contractor, M/s Sai Engineers has filed suit against International Metro Civil Contractor for an amount of Rs. 0.02 crore (Rs. 0.02 crore) for dispute on contract terms. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- The Company has given bank guarantee on behalf of its subsidiary company, Ircon Infrastructure and Services Limited for an amount of Rs. 11.65 crore (Rs. 10.00 crore) for performance guarantee to clients.
- The Company has given bank guarantee on behalf of its joint operation, Ircon-RCS-PFLEIDERER for an amount of Rs. 1.40 crore (Rs. 1.40 crore) for execution of Design and construction broad gauge ballastless track in Udampur-Katra section.

## (ii) Commitments

Particulars	Foot Note	(Rs. in crore)	
		As at 30th Sep 2020	As at 31st March 2020
<b>a) Other Commitments</b>			
(i) Funding committed by way of equity and loans in Subsidiary Companies	1	1,129.63	1,108.31
(ii) Funding committed by way of equity and loans in Joint Venture Companies	2	100.75	61.71
(iii) Counter Bank Guarantee for Subsidiary Companies	3	346.90	158.75
<b>Total</b>		<b>1,577.28</b>	<b>1,328.77</b>

## Foot Note:

S.No	Name of the Subsidiary	(Rs. in crore)			
		As at 30th Sep 2020		As at 31st March 2020	
		Equity	Loans	Equity	Loans
1	Ircon PB Tollway Limited	-	115.34	-	57.52
2	Ircon ShivpuriGuna Tollway Limited	-	179.46	-	157.96
3	Ircon Davanagere Haveri Highway Limited	53.00	177.28	53.00	233.78
4	Ircon Vadodara Kim Expressway Limited	-	604.55	-	606.05
	<b>Total</b>	<b>53.00</b>	<b>1,076.63</b>	<b>53.00</b>	<b>1,055.31</b>

S.No	Name of the Joint Venture	(Rs. in crore)			
		As at 30th Sep 2020		As at 31st March 2020	
		Equity	Loans	Equity	Loans
1	Chhattisgarh East Railway Limited	36.28	-	36.28	-
2	Chhattisgarh East-West Railway Limited	62.83	-	0.13	-
3	Mahanadi Coal Rail Limited	1.29	-	1.29	-
4	Baster Railway Private Limited	0.01	-	0.01	-
5	Jharkhand Central Railway Limited	0.35	-	-	-
6	Indian Railway Station Development Corporation Limited	-	-	24.00	-
	<b>Total</b>	<b>100.75</b>	<b>-</b>	<b>61.71</b>	<b>-</b>

- Counter guarantee to Indian Overseas Bank, State Bank of India & ICICI Bank for issuance of bank guarantee to subsidiary companies amounting to Rs. 500.00 crore (Rs. 500.00 crore). Out of the total limit of Rs 500.00 crore, Indian Overseas Bank & ICICI Bank have issued bank guarantees to the extent of Rs. 153.10 crore (Rs. 341.25 crore). Therefore, the balance limit for issuance of bank guarantees is Rs. 346.90 crore (Rs. 158.75 crore).

  
 CA/P/Comp.  
 11/11/2020  
 ANIL KUMAR CHOUDHURY