



# इरकॉन इंटरनेशनल लिमिटेड

(भारत सरकार का उपक्रम)



## IRCON INTERNATIONAL LIMITED

(A Govt. of India Undertaking)

An integrated Engineering and Construction Company

IRCON/SECY/STEX/124

17<sup>th</sup> August, 2023

<b>BSE Limited</b> Listing Dept./ Dept. of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 <b>बीएसई लिमिटेड</b> लिस्टिंग विभाग / कॉर्पोरेट सेवा विभाग पी. जे. टावर्स, दलाल स्ट्रीट, मुंबई- 400001 Scrip code / ID: <b>541956 / IRCON</b>	<b>National Stock Exchange of India Limited</b> Listing Department Exchange Plaza, Plot no. C/I, G Block, Bandra –Kurla Complex, Bandra (East), Mumbai – 400051 <b>नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड</b> लिस्टिंग विभाग एक्सचेंज प्लाजा, प्लॉट नं. सी / आई.जी. ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई-400051 Scrip Code: <b>IRCON</b>
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**Sub: Annual Report for the Financial Year 2022-23 and Notice of AGM / वित्तीय वर्ष 2022- 23 की वार्षिक रिपोर्ट और एजीएम की सूचना**

**Dear Sir/Madam, महोदय/महोदया,**

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in continuation to our letter of even no. dated 10<sup>th</sup> August, 2023, regarding intimation of the 47<sup>th</sup> Annual General Meeting (AGM) of the Company, please find enclosed herewith the Annual Report of the Company for the Financial year 2022-23 and the Notice of 47<sup>th</sup> AGM scheduled to be held on Tuesday, 12<sup>th</sup> September, 2023 at 12:30 P.M. through Video Conferencing/ Other Audio Visual Means, to transact the business as set out therein.

The Annual Report for the financial year 2022-23 and the Notice of AGM are also available at the website of the Company i.e. [www.ircon.org](http://www.ircon.org) under Investors Section.

The Company shall commence dispatch (by electronic means) of the Notice of AGM and the Annual Report for FY 2022-23 to the shareholders from today i.e. 17<sup>th</sup> August, 2023.

सेबी (सूचीबद्धता दायित्व और प्रकटीकरण अपेक्षाएँ) विनियम, 2015 के विनियम 34 के प्रावधानों के अनुसार और हमारे समसंख्यक पत्र दिनांक 10 अगस्त, 2023, जिसमें कंपनी की 47वीं वार्षिक आम बैठक (एजीएम) के बारे में सूचित किया था, के संदर्भ में, कंपनी के वित्तीय वर्ष 2022-23 की वार्षिक रिपोर्ट और मंगलवार, 12 सितंबर, 2023 को दोपहर 12:30 बजे होने वाली 47वीं एजीएम जो की वीडियो कॉन्फ्रेंसिंग/ अन्य ऑडियो विजुअल माध्यमों के माध्यम से अयोजित की जाएगी, का नोटिस संलग्न है।

वित्तीय वर्ष 2022-23 की वार्षिक रिपोर्ट और एजीएम की सूचना कंपनी की वेबसाइट यानी [www.ircon.org](http://www.ircon.org) पर निवेशक अनुभाग के तहत भी उपलब्ध है।

कंपनी आज यानी 17 अगस्त, 2023 से शेयरधारकों को एजीएम की सूचना और वित्त वर्ष 2022-23 की वार्षिक रिपोर्ट भेजना (इलेक्ट्रॉनिक माध्यम से) शुरू करेगी।

कृपया उपरोक्त जानकारी को रिकॉर्ड पर लें।

धन्यवाद,  
भवदीया,

(रितु अरोड़ा)/ (Ritu Arora)

कम्पनी सचिव एवं अनुपालन अधिकारी/ Company Secretary & Compliance Officer

सदस्यता क्र.: FCS 5270/ Membership No.: F5270





GLORIOUS  
47  
YEARS

# ANNUAL REPORT 2022-23



# WHAT DRIVE US



## VISION

To be recognized nationally and internationally as a construction organization comparable with the best in the field, covering the entire spectrum of construction activities and services in the infrastructure sector.



## MISSION

Our mission is to effectively position the Company so as to meet the construction needs of the changing economic scenario in India and abroad. We aim to earn global recognition by providing high quality products and services in time and in conformity with the best engineering practices



## VALUES

- Constructive Approach
- Teamwork
- Performance Excellence
- Probity in work and dealings
- Being responsible and accountable



# CORPORATE INFORMATION

## Registered Office

C-4, District Centre, Saket, New Delhi – 110017  
Tel: 91-11-26530266 Fax: 91-11-26522000 / 26854000  
E-mail: [info@ircon.org](mailto:info@ircon.org) Website: [www.ircon.org](http://www.ircon.org)  
CIN: L45203DL1976GOI008171

## Company Secretary & Compliance Officer

Ms. Ritu Arora

## Chief Financial Officer & Chief Investor Relations Officer

Shri B. Mugunthan

## Statutory Auditors

M/s HDSG & Associates  
Chartered Accountants

## Cost Auditors

M/s. R.M. Bansal & Co.  
Cost Accountants

## Secretarial Auditors

M/s. Kumar Naresh Sinha & Associates,  
Company Secretaries

## Bankers

Indian Overseas Bank, HDFC Bank,  
State Bank of India, Axis Bank and ICICI Bank.

## Registrar & Share Transfer Agent

Alankit Assignments Limited  
205-208, Anarkali Complex,  
Jhandewalan Extension, New Delhi, 110055  
Website: [www.alankit.com](http://www.alankit.com) E-mail: [info@alankit.com](mailto:info@alankit.com)  
Toll free no.: 011-42541234 / 23541234

## Shares Listed at

BSE Limited (BSE)  
National Stock Exchange of India Limited (NSE)

## Depositories

National Securities Depository Limited (NSDL)  
Central Depository Services (India) Limited (CDSL)

## SCRIP CODE

BSE: 541956  
NSE: IRCON

## ISIN No.

INE962Y01021

# STATEMENTS IRCON

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As on March 31, 2023

PROJECTS COMPLETED

Order Book Value

INR  
35195 Cr

Highest Ever Turnover FY23

INR  
10,262 Cr

Domestic

401

Foreign (in 25 Countries)

128

EXECUTED WORK

Railways Track

5470 TKM

Roads & Highways

6660 KMS

Tunnels

150 KMS

Railway Electrification

8772 RKM

Buildings

1.56 Mn Sqm.

ROBs

159

# IRCON AT A GLANCE

IRCON, a **Mini-Ratna Category-I Schedule 'A' Listed Central Public Sector Undertaking** is a rapidly growing integrated engineering and construction company specializing in major infrastructure sectors.



## OUR CERTIFICATIONS

An ISO Certified Company recognised for Quality, Environment, Occupational Health and Safety Management Systems



## CREDIT RATINGS:

'CARE AAA; Stable/CARE A1+' to the long term bank facility of IRCON.

## RANKING (2022)

USA ENR  
Construction Companies

235<sup>th</sup>

Fortune India 500

226<sup>th</sup>

BS 1000  
Revenue (March 2023)

164<sup>th</sup>



## OUR SERVICE PORTFOLIO

Engineering,  
Procurement  
& Construction



Project  
Management  
Consultancy



Public  
Private  
Partnership



Real  
Estate



### Engineering, Procurement and Construction (EPC)

IRCON over a period of time has gained expertise of providing services from concept to commissioning for infrastructure projects. With in-house design capability – available experts in the field of Civil, Mechanical, Electrical, Signal and Telecommunication with a wide range of experience of working in domestic and international projects for various clients under different scheme of funding is better placed to take up EPC Projects. IRCON has adopted the best process and procedures in its working which is a unique strength of IRCON.

IRCON owns construction equipment and machines for taking up complex projects on its own. Projects under EPC mode are efficiently executed by IRCON through design Optimization and Value Engineering.

The centralized procurement system for major items make available competitive rates. Projects where 50–60 percent procurement is carried out in-house, the balance portion of the project is executed through sub-contractors appointed through a transparent system. Project is executed following sustainable practices. Due consideration with respect to the environment and community in large is ensured while executing the projects. With the robust IT enabled contract management tools project delivery is ensured with maximum efficiency and avoiding cost and item over-run.



### Public Private Partnership (PPP)

We offer major services in the category of PPP projects in the railways sector through a joint venture model along with the state government and other stakeholders under the DAFOT pattern on toll, annual institute, and mixed annual institute basis For the execution of such projects and timely completion, we have a well-placed team of experienced designers, technical personnel, and skill project management professionals along with our financial capacity.



### Project Management & Consultancy (PMC)

We offer comprehensive wide-ranging PMC services from planning to commissioning in the entire spectrum of projects. These PMC are provided for construction of railway sidings, highways, railway, and road over bridges, building amongst others either by us or through our wholly owned subsidiary 'ircon Infrastructure Services limited (IrconISL): We have a dedicated team of project management, quality management and contract management professionals to undertake PMC jobs in the infrastructure sector



### Real Estate (RE)

We undertake development, construction and leasing of office realty spaces and development of commercial real estate



# DIVERSIFIED GLOBAL INFRASTRUCTURE PSU

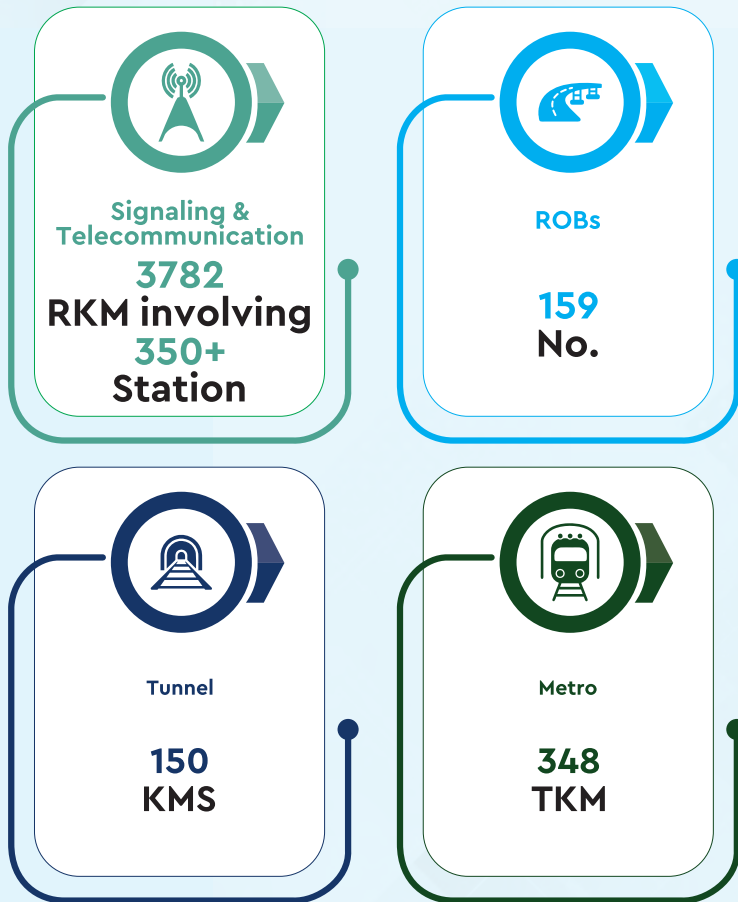
“ IRCON, with its expertise in executing High quality projects including projects at extreme locations, is actively focus and leading the diversified infrastructure player, both in terms of sectoral as well as geographical coverage.”

## INDUSTRY SECTORS SERVED



## MAJOR EXECUTED WORK

### RAILWAYS EXECUTED WORK



### ROAD & HIGHWAYS



### BUILDINGS



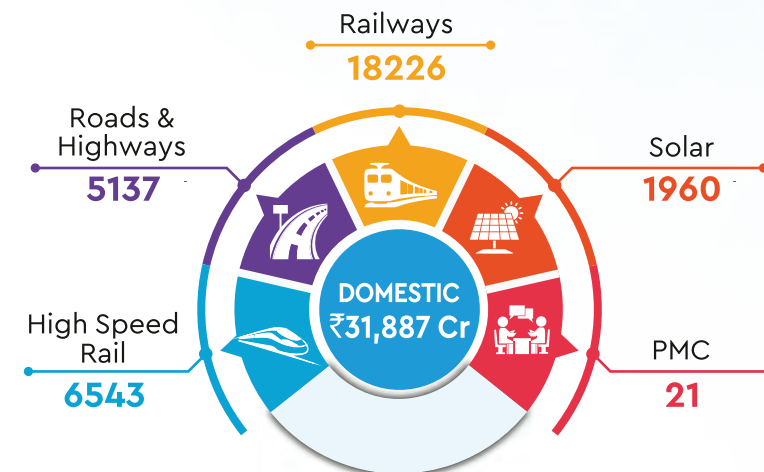
## RELIABLE BUSINESS STRENGTH

As on March 31, 2023

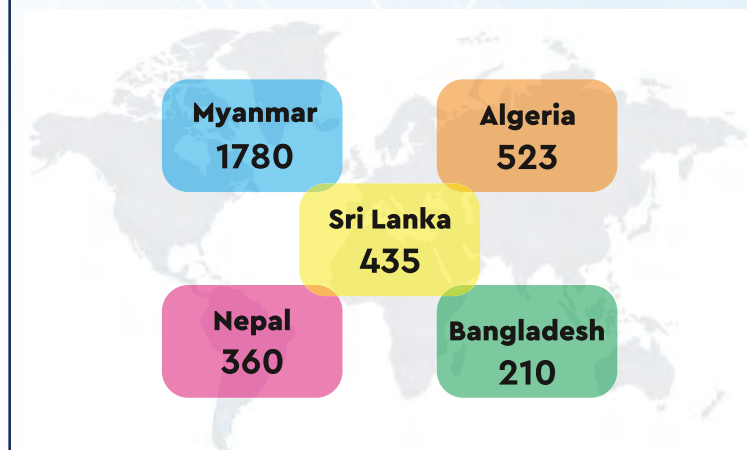
(₹ in Crore)

## PROJECT POSITION - ORDER BOOK (₹35,195 Cr)

### DOMESTIC (₹31,887 Cr)



### FOREIGN (₹3308 Cr)



## GEOGRAPHICAL FOOTPRINTS







## CHAIRMAN'S STATEMENT

Dear Shareholders,

I am delighted to share with you the 47th Annual Report of your Company for FY 2022-23, which has been yet another year of impressive performance. It is a matter of great pride that your Company has displayed overall a good performance. On a standalone basis, your Company has clocked highest ever total turnover of ₹10262 Crore (previous year ₹7181 Crore) registering an increase of 42.90%; also on a consolidated basis, total turnover registered a record increase of 41.71% in the history of IRCON and stood at ₹10750 Crore (previous year ₹7586 Crore).

It is noteworthy to mention that your Company, which started exclusively as a railway construction Company has acquired expertise across diversified infrastructure sectors over the past 47 years and has also spread in spectrum of services into PMC, EPC and PPP mode. The Company has to its credit, 128 completed projects in 25 countries across the globe and over 400 projects in India.

### CONTRACTS SECURED IN INDIA & ABROAD

The projects secured during FY 2022-23 includes Procurement of Design, Installation, Testing, Commissioning and Certifying of Signalling and Telecommunication System from Maho Junction (Including) to Anuradhapura (Excluding) in Sri Lanka under Indian Line of Credit, establishment of Railway

Sidings along with Railway Station contiguous to Mine Lease Boundary of Gere Pelma Sector-III Coal Mine; PMC services for Signalling & Telecommunication system; and development of Rail Infrastructure for proposed 02 nos. RLS (20 MTY) for Ananta OCP of Jagannath Area, at Talcher. IRCON has also been engaged for Central Public Sector Undertaking (CPSUs) for development of New Industrial Estates in Union Territory of Jammu and Kashmir.

Your Company has more than 50 projects in its portfolio, including 5 international projects in Bangladesh, Algeria, Sri Lanka, Nepal & Myanmar. We continue to actively participate in new projects across industry segments in the domestic front to capture healthy profit margins. The Company is aggressively pursuing foreign projects including projects being funded through EXIM Bank of India and projects being funded through Multilateral funding agencies.

### FINANCIAL PERFORMANCE

#### Financial Highlights:

On Standalone basis, apart from recording the highest ever total turnover, we have also recorded highest ever operating turnover of ₹9921 Crore in FY 2022-23, as against ₹6910 Crore in the previous financial year registering an increase of 43.57%. Profit Before Tax (PBT) for FY 2022-23 stood at ₹883 Crore thereby showing an increase of 44.75% as compared to ₹610 Crore in the

previous financial year. Profit After Tax (PAT) stood at ₹777 Crore in FY 2022-23, registering a growth of 42.83%, as against ₹544 Crore in the previous financial year. The Net Worth of your company has increased by 12.05% to ₹5178 Crore in FY 2022-23, as against ₹4621 Crore in FY 2021-22.

During FY 2022-23, the Railway sector contributed around 94% to our operating turnover and operating turnover from highway/ other sector was approximately 6%.

On a consolidated basis, the impressive financial performance of the Company is evident from a quantum jump of 40.49% in the operating turnover during FY 2022-23, which touched ₹10368 Crore (previous year ₹7380 Crore). We have achieved a consolidated Net Profit of ₹765 Crore for FY 2022-23 as against ₹592 Crore in the previous year.

Furthermore, I would like to mention that the Statutory Auditors have not given any qualification or remarks in the Auditors' Report and the Comptroller & Auditor General of India (C&AG) has given 'Nil' comments for the FY 2022-23.

#### Financial results for the quarter ending 30.06.2023:

It gives me pleasure to announce that the turnover and profitability for Q1FY24 (Standalone) have improved substantially in comparison with Q1FY23. The total turnover for this quarter has increased by 37.62% to ₹2693.21 Crore from ₹1956.95 Crore; the operating turnover stood at ₹2625.64 Crore showing an increase of 38.40% against ₹1897.20 Crore; and the Profit After Tax (PAT) has increased by 31.29% to ₹161.66 Crore from ₹123.13 Crore.

#### Dividend:

The Board of Directors declared and disbursed an interim dividend of Rs.1.80 per equity share of a face value of Rs.2/- per share during FY 2022-23. In addition to interim dividend, your company has proposed a final dividend of Rs.1.20 per share. With this the total dividend pay-out for FY 2022-23 would stand at 150% on the paid-up equity share capital, aggregating to ₹282.15 Crore (approx.), which is 36.31% of the post-tax profits of FY 2022-23 and 5.45% of net worth of the Company as on March 31, 2023.

After declaration and payment of the proposed final dividend, the cumulative dividend paid to shareholders up to FY 2022-23 would stand at ₹2657 Crore.

#### Share Capital:

During the FY 2022-23 the paid-up share capital stood at ₹188.10 Crore. As on March 31, 2023 the shareholding of the Promoter i.e. President of India stood at 73.18% of the paid-up equity share capital. Your Company is in compliance of the Minimum Public Shareholding (MPS) requirement in terms of the Securities Contracts (Regulation) Rules, 1957.

### IRCON GROUP COMPANIES

As of now, IRCON Group comprises of eleven subsidiary companies and seven joint venture companies, the details of which are provided in the Directors' Report.

During the year, your Company has made investment of ₹423.39 Crore in its subsidiary and JV companies and for the purpose of availing of term loan facility from scheduled commercial banks by wholly owned subsidiaries, IRCON has provided Corporate Guarantee for five of its subsidiary companies in highway sector. The other details of investments made, loans granted and guarantees extended by IRCON to its subsidiary and joint venture companies during the FY 2022-23 forms part of the notes to the standalone financial statements provided in the Annual Report.

### RATINGS & COMMENDATIONS

In terms of Memorandum of Understanding (MoU) signed with the Ministry of Railways, Government of India, your company has been rated as "Very Good" for year 2021-22.

As per 2022 edition of USA's Engineering News Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 International Contractors as well as under top 250 Global Construction Contractors. Further, in the Business Standard BS 1000 Annual Magazine released in March 2023, IRCON has been ranked 164 in 2022 by total revenue and ranked 7 in terms of sector performance under the 'Construction and Infrastructure' Sector. IRCON is also ranked 226th in 2022 in the list of fortune India 500.

Keeping up the trend of winning awards year after year, during the FY 2022-23, IRCON has won Greentech Environment Award for Environment Protection; ENR - Construction World Global Award; and Dun & Bradstreet PSU & Government Summit - Aatma Nirbhar Bharat Initiatives.

### CORPORATE GOVERNANCE

We are fully aware that sound principles of corporate governance are essential for long term development & sustainability and we are operating within the ambit of these principles. In realization of its commitment to responsible business, we follow the highest standards of ethical business operations and best practices by adopting a robust Corporate Governance Policy and Code of Conduct. Your Company is adhering to the provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Companies Act 2013, and DPE Corporate Governance Guidelines 2010 and other applicable regulatory requirements.

A certificate on Compliance of conditions of Corporate Governance under the SEBI Regulation and DPE Guidelines on Corporate Governance forms part of the Directors'



Report. Your Company has secured 'Excellent' rating for FY 2022-23, on a self-evaluation basis, in compliance of Corporate Governance for FY 2022-23.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Our Environmental, Social, and Governance (ESG) framework is implemented throughout all aspects of company operations at IRCON as well as its subsidiary companies. Our corporate strategies aim to achieve steady, prudent, and sustainable growth. We adhere to the highest standards of ethical business conduct in order to fulfil our commitment to responsible business.

We consistently strive to make positive impact on the communities in which we operate. As a corporate citizen we have spent ₹10.12 Crore towards Corporate Social Responsibility (CSR) activities during FY 2022-23, as against the allocated budget of ₹10.10 Crore. Focussing on the Annual Theme - 'Health & Nutrition' as announced by the DPE and to give preference to the Aspirational districts under their CSR, the CSR & Sustainability activities of the Company comprised of Conducting Health Awareness & 66 Medical Camps in districts of Jammu & Kashmir for creating general health awareness amongst the villagers; Establishing a Vision Centre in Aspirational district Jaisalmer of Rajasthan for detection of visual defects among school children thereby preventing the progress of eye disease through proper care and treatment; Empowerment of Women through Skill Development Training Programmes" in Khora Colony, Dist. Ghaziabad, Uttar Pradesh by M/s Bisnoui Sarvodaya Gramodyog Sewa Sansthan (BSGSS). We have also contributed ₹1.53 Crore to Prime Minister's Citizen Assistance and Relief in emergency Situation Fund (PM CARES Fund).

## HUMAN RESOURCE, THE BIGGEST ASSET

The Company's policies have been framed in a way to embrace the most recent techniques to continuously improve the knowledge, ability, skills, and productivity of the employees. The philosophy that employees are the key to an organization's success has led to the development of these policies. Employee participation is promoted as a partnership, with a focus on their professional development, wellbeing, and growth to foster a positive work and harmonious environment within the organization.

The Company believes that retention of well-trained, competent, and committed employees and also expanding our workforce who can usher in new ideas, strategies and processes will ultimately help in improving the efficiency of the Company. The total strength of our human resources as of March 31, 2023 stood at 1341, with 257 newly employed personnel.

## EMPOWERMENT THROUGH INFORMATION TECHNOLOGY

In the process of improving the levels of transparency and efficiency through technology advancement, IRCON is in the process of upgrades to SAP S/4 Hana as Enterprise Resource Planning (ERP) application software. SAP S/4 Hana is already being used in Finance, Controlling and Human Resource Management functions to a large extent. It is leading to company wide information availability, transparency and has enabled faster decision making. This reporting tool fetches real-time data from SAP and helps in preparation of Financial Statements of the Company. Employee Self Service Portal, Finance and HCM modules of SAP have been rolled out for entire organization and five pilot locations are under go live for full functionalities. The other initiatives of the Company in the direction of paperless office includes e-office system from National Informatics Centre (NIC) for approval and movement of official documents within the organization, Government eProcurement system of NIC-GePNIC offering full transparency in public procurement, and dedicated Video Conferencing facility on CISCO VC and Google Meet from official e-mail ID, which enabled seamless meetings for review of the projects, meetings of the Board, its Committees and also General meetings.

## FUTURE OUTLOOK

Infrastructure plays a huge role in propelling other industries and India's overall development. The government, therefore, focuses on the development of infrastructure and construction services through focused policies such as open FDI norms, large budget allocation to the infrastructure sector, smart cities mission, etc.

Under National Infrastructure Pipeline (NIP), India has an investment budget of \$1.4 Tn on infrastructure, which includes 24% on renewable energy, 18% on roads & highways, 17% on urban infrastructure, and 12% on railways. 35 Multimodal Logistics Parks (MMLPs) to be developed at a total capital cost of \$ 6.1 Bn, will cater to 50% of the freight movement.

The logistics cost in India is 13% to the GDP as compared 8% in the rest of the world, making it difficult for Indian

“IRCON intend to capitalize its advantageous position in the market both in terms of its expertise and financial strength. Leveraging established footprint in multiple Indian states, IRCON is committed to extending its operations internationally as part of its overarching business expansion strategy.”

exports to compete globally. The government is working to bring down logistics cost to GDP to 7.5% from the current 13%. Indian Government launched Gati Shakti Master Plan to integrate different modes of transportation and increase the speed of infrastructure development in India.

A capital outlay of Rs.2.40 lakh crore (US\$ 29 billion) has been provided for the Railways in budget 2023, which is the highest ever outlay. Further, allocation for Roads and Highways has raised to Rs.2.7 lakh Crore in Budget 2023-24. The Government is working towards the development of a national highway network of 2 lakh kilometres by 2025.

IRCON has a long-standing reputation as one of the industry leaders in transportation infrastructure with proven expertise in railway projects. To uphold our reputation in the industry and to get sustained profit margins, we intend to capitalize our advantageous position in the market both in terms of our expertise and financial strength. With the established presence in the Indian market, IRCON further intends to cover the unexplored areas within the country under National Infrastructure Pipeline. IRCON believes that this will help in enhancing its portfolio with projects proposed by the Government of India would further consolidate its position in the infrastructure sector.

Our strategic focus involves enhancing our market presence within the domestic sector by actively enhancing our involvement in key industry segments such as Railways, Highways, Tunnels, and Bridges. Additionally, we are engaged in High-Speed Rail projects, NCRTC project, NHAI Projects on PPP model, renewal power project, PMC undertakings for Indian Railway ventures etc. Leveraging our established footprint in multiple Indian states, we are committed to extending our operations nationwide and shall continue to grow in these areas.

We are confident that various infrastructure initiatives decreed by the Government of India will help us in fostering our future growth. We believe that we are well positioned to execute projects under these modes due to our strong technological capabilities and sound financial position. We will also continue to focus on international market for opportunities in our area of strength and PPP mode of opportunities in Rail & Roadways.

## ACKNOWLEDGEMENT

I am incredibly thankful to all the predecessors and present Board Members, our Shareholders, and all other Stakeholders for their co-operation and trust in IRCON. On behalf of the Board of Directors, I take this opportunity to record our gratitude and appreciation for the untiring efforts of all the past and present employees of the Company. The Company is grateful for the valuable support received from various Ministries

such as Railways, Road Transport and Highways, External Affairs, Finance, Commerce, Urban Development, as well as other ministries, departments, and agencies. We are also grateful for the support received from the office of Comptroller & Auditor General of India, Reserve Bank of India, Bankers, Statutory, Branch, Cost, Secretarial & Internal Auditors, of the Company, Indian Embassies & Missions abroad, Foreign Missions & Embassies in India, EXIM Bank, ECGC Limited, Protector of Immigration, Passport Authority, and our esteemed clients both within India and overseas as without their active support, the Company would not have achieved its milestones during the year under review. We would like to express our sincere appreciation to all the dedicated employees of the Company at every level. Their unwavering efforts, dedication, sincerity and commitment have significantly contributed to achieving the highest ever performance of the Company.

Best Regards,

Sd/-

(Brijesh Kumar Gupta)

Chairman & Managing Director (L/A) & CEO  
(DIN:10092756)

Date: August 11, 2023

Place: New Delhi





# BOARD OF DIRECTORS

*"Our success is a result of strong commitment and continuous guidance from our Board and unwavering efforts of our dedicated employees."*

## SHRI BRIJESH KUMAR GUPTA

CHAIRMAN & MANAGING DIRECTOR AND CEO

Shri Brijesh Kumar Gupta is Chairman & Managing Director and CEO of the Company. He holds a Bachelor Degree in Civil Engineer (B.E. – Civil) from Madhav Institute of Technology and Science (MITS), Gwalior and Post Graduate Degree (M.Tech) in Applied Mechanics from IIT, Delhi.

He belongs to Indian Railway Services of Engineers (IRSE) of 1985 batch. He is also Member of Indian Institute Permanent Way Engineers (IIPWE), New Delhi. He has been trained in Strategic Management Programme in Carnegie Mellon University, Pittsburg, USA in October 2018; and Leadership Programme in SDA Bocconi Business School, Milan, Italy in July, 2017.

He is presently working as Additional Member (Civil Engineer), Railway Board. He has over 37 years of enriched and varied experience in Railways, especially in execution and management of Railway Projects. He held various important and challenging posts in Railways such as Chief Administrative Officer (Const.), [North Western Railway, Jaipur & East Coast Railway, Bhubaneswar], Chief Safety Officer [West Central Railway, Jabalpur], Divisional Railway Manager [Central Railway, Nagpur].

He is recipient of prestigious award of Railway Minister's Civil Engineering Construction shield consecutively for 2020–21 & 2021–22 while working as CAO/C/North Western Railway, Jaipur and Zonal Safety Shield in 2013–14 and 2014–15 while working as Chief Safety Officer, West Central Railway, Jabalpur. During his two years of tenure as Divisional Railway Manager, Nagpur Division was adjudged as best division in Central Railway in both the years. Further, he is awarded at Ministry of Railways level as a member of team for Excellent work in completing Gauge conversion of Jodhpur – Jaisalmer (300 Kms.) section in record time in 1994–95 while working as Dy. Chief Engineer/Construction/Jodhpur.



**SMT. RAGINI ADVANI**  
Director (Finance)

Smt. Ragini Advani (DIN: 09575213), is Director (Finance) of our Company. She is a Chartered Accountant and Cost Accountant by qualification with about 25 years of post-qualification experience in Finance. She is a rank holder in both Chartered Accountancy and Cost Accountancy exams.

Before joining IRCON, she has worked as GM (F&A) with Engineers India Limited (EIL), a technical consultancy CPSE in oil & gas sector and was in-charge of accounting & dealt with C&AG / statutory auditors, concurrence of all marketing proposals and marketing finance, billing & related matters, budgeting & MIS and business development proposals. She was also part of Chairman Office for 2 years and also held additional charge of Company Secretariat department for almost a year in EIL.

Her previous experience was with NTPC SAIL Power Company Private Limited (NSPCL) and KPMG. She has rich and varied experience in Corporate Finance which includes dealing with valuations, mergers / demergers and acquisitions, financial restructuring, treasury management, arranging loan financing, corporate planning & budgeting, commercial billing and purchase of coal through e-auction, regular MIS, dealing with C&AG, dealing with CERC for finalisation of tariff orders and signing

long term PPAs. She has also been subject matter expert / mentor for 'in-house' senior management programmes of EIL in respect of finance matters. She has been on the Board of IRCON since April 19, 2022.



**SHRI PARAG VERMA**  
Director (Works)

Mr. Parag Verma (DIN: 05272169) joined IRCON in 1991. Mr. Verma is a post graduate in Engineering with more than 31 years of experience, of working on national and international infrastructure projects. His core strength lies in project planning, estimation and conceptualisation and structuring of the projects and its execution.

He has the experience of establishing wholly owned subsidiary and JV companies for parent organisation to take up the specialised projects. He was instrumental in the development of the whole concept of station development program on PPP model in India and was instrumental in awarding first project of station development on Indian Railways on PPP model which has been successfully inaugurated by Hon'ble PM. Before joining as Director (Works), he was ED (Infrastructure) and looking after the Highway, Building & Real Estate and Business Development in domestic and international market. He was not only responsible for maintaining healthy order book of company by bagging national and international & infrastructure projects either on EPC, Item Rate, PPP model but their execution also. Under his guidance, BD team has achieved the highest value of new order through open competitive bidding. Work in New sectors of high speed railway, ballast less slab track and highway tunnel large bridges have been secured by IRCON.



**SHRI ANAND KUMAR SINGH**  
Director (Projects)

Shri Anand Kumar Singh (DIN: 07918656) is a civil engineer from I.I.T. Delhi and M.B.A. (Finance) from MDI, Gurugram. He started as an IRSE officer in January 1990 with Ministry of Railway and brings more than 33 years of experience in development of major Railway infrastructures (25 Years plus) & Highway infrastructures (8 Years plus).

Shri Singh previously served for 3 Years as Director on NHAI Board as Member (Project) NHAI from 2016–2019.

Shri Singh's experience spans from inception planning to end stage including all aspects of project planning, viability assessment, investment strategy, financing, bid awards, construction, project consultancy, contract management, project management, O&M etc. right upto end with monetization. In project implementation specialisations include completion well before timelines for construction of new lines, doubling, tunnels, elevated corridors, state of art bridges, National Highways, Expressways, Coastal Highways, logistics, electrical systems installations etc.

Shri Singh has also made significant contributions in all prevalent methods of project implementation viz Item rate EPC, FIDIC, EPC (turn key), PPP, OMT, HAM, TOT models

and his accomplishments include asset monetization, INVIT, divestments, fund raising, marketing international projects and attracting foreign investments.

Shri Singh has played a pioneering role in launching of the new EPC (turn key) Model Agreement (MCA), improvisations in PPP after difficult era of PPP and new project models of HAM and TOT divestments.

Shri Singh has led as a Contract Management Specialist and headed large number of dispute resolution, technical and contractual interpretations committees and settlement advisories to salvage large number of languishing projects by out of the box thinking and innovative interventions. He has also headed HR & Admin, IT and legal verticals with several unprecedented accomplishments.

Shri Singh believes in value creations through inclusive leadership and creating synergies for all stake holders and investors.





**SHRI DHANANJAYA SINGH**  
Government Nominee  
[Part-Time (Official)] Director

Shri Dhananjaya Singh (DIN: 08955500) holds a bachelor's degree in Civil Engineering from University of Lucknow.

He is presently working as Executive Director (Works), Railway Board, Ministry of Railways, Government of India. Before the present assignment, he has worked in Railway Board in various work positions including Directors (Works) (Railway Board), Senior Divisional Engineer (Northern Railway). He was on deputation to Mumbai Rail Vikas Corporation (MRVC) as a Deputy Chief Project Manager. He has been on the Board of IRCON since November 10, 2020.



**SHRI AJAY KUMAR CHAUHAN**  
Independent [Part-Time  
(Non- Official)] Director

Shri Ajay Kumar Chauhan (DIN: 09394953), holds Master's Degree in Business Administration from Graduate School of Business, University of Sydney, Australia (1994-1996), M.Phil. (Industrial Psychology) from University of Delhi, India (1981-1983), M.A. (Psychology) from University of Delhi, India and obtained Distinction (1979-1981), B.A. (Hon.) with Psychology, Political Science and History from Aligarh M. University, India. He belongs to Indian Revenue Service (IRS) Officer of 1984 Batch and had hold important position on all functional posts in the Income Tax Department. He had also held the post of Director General, Competition Commission of India.

He was awarded Business School Scholarship from Asian Development Bank (ADB), Philippines for meritorious performance in the Business School (Sydney Univ.).

He was nominated by the Government of India for a foreign deputation to Sydney, Australia under the Commonwealth Exchange Programme. During his tenure of foreign deputation, he undertook important field projects as a part of Advance business strategy course at the Graduate School of Business, University of Sydney, Australia which includes emerging Corporate Structure of Rail Business in Australia, Penfold Wines Plc, Australia: Strategies of Market Expansion. He has written articles

on various subjects as Fringe Benefit Tax; Study on the Tax implication on Tax payers in Australia; Tourism Industry questions the Income-tax Equity; The Australian reality exposed and; Research Papers on Australian Tax Research Foundation Research Study 1996. He has been on the Board of IRCON since November 11, 2021.



**SHRI DIPENDRA KUMAR GUPTA**  
Independent [Part-Time  
(Non- Official)] Director

Shri Dipendra Kumar Gupta (DIN: 09398271) is a graduate from Patna University.

He has specialization in the field of Management, Sales & Marketing. He is a person of eminence with proven track record from business and agriculture. He is also a dedicated social worker. He has served as a State Advisor in Nehru Yuva Kendra for the period 2015 to 2018 and as District advisor in Telephone Advisory Committee for the period 2010 to 2013. He has also been a member of Zila Karyakram Kriyanvan Samiti 2007 (20 Programs). He has been on the Board of IRCON since November 16, 2021.



**SMT. RANJANA UPADHYAY**  
Independent [Part-Time  
(Non- Official)] Director

Smt. Ranjana Upadhyay (DIN: 07787711) holds a degree in Bachelor of Journalism and Masters of Journalism from Mahatma Gandhi Chitrakoot Gramodaya Vishwavidyalaya, Chitrakoot, Satna, Madhya Pradesh and is a social worker.

She has been a writer for the Hindustan Times (2002-2004); Editor and News Reader for City News, Chitrakoot (2003- 2007). Further, she is an active member of Drishti, an NGO for blind people and Bharat Kalyanmanch, an NGO to improve the living, social and economy condition of economically backward people. She has been on the Board of IRCON since November 16, 2021.



**DR. KARTIK CHANDULAL BHADRA**  
Independent [Part-Time  
(Non- Official)] Director

Dr. Kartik Chandulal Bhadra (DIN: 09453387), is an MBBS, DCH. He is a Paediatrician Doctor in Kalrav Children Hospital in Valsad, Gujarat since 1991.

He is an eminent paediatrician of South Gujarat and has a well-equipped Hospital with state-of-the-art facilities where he has been practicing medicine and serving the community for the past 29 years. He was the President of Indian Medical Association of Valsad and has also been the President of Indian Academy of Paediatrics Valsad for five consecutive years.

He is a philanthropist who believes in serving the society and strengthening the community as demonstrated by his numerous initiatives. He is actively associated with more than 10 social organisations. He is the Vice President trustee of Vidhyabharti affiliated school "Shree Saraswati Shishu Mandir" where over 800 students from lower socioeconomic status come to receive an education of a higher standard. He has established UDAN (Unnat Desh-Adarsh Nagrik) foundation- a unique awareness programme managed and operated by him and his patriotic team of stalwarts from different spheres of life. He has been on the Board of IRCON since December 31, 2021.



## SENIOR EXECUTIVES



**SHRI YOGESH KUMAR MISRA**  
EXECUTIVE DIRECTOR/INFRASTRUCTURE



**DR. SUBHASH CHAND**  
EXECUTIVE DIRECTOR/ELECTRICAL



**SHRI B. MUGUNTHAN**  
EXECUTIVE DIRECTOR/FINANCE



**SHRI PAWAN KUMAR**  
EXECUTIVE DIRECTOR/WORKS



**SHRI SURENDER SINGH**  
EXECUTIVE DIRECTOR/SPECIAL WORKS



**SHRI NAVEEN BABU**  
EXECUTIVE DIRECTOR/J&K

## SENIOR EXECUTIVES



**SHRI DEVENDRA KUMAR SHARMA**  
PROJECT DIRECTOR/VADODRA MUMBAI EXPRESSWAY



**SHRI PRAMOD KUMAR SINGH**  
PROJECT DIRECTOR/PATNA



**SHRI MOHINDER SINGH**  
PROJECT DIRECTOR/SIVOK RANGPO



**SHRI SITESH KUMAR SINGH**  
PROJECT DIRECTOR/DFCC



**SHRI JAYASANKAR V.K**  
PROJECT DIRECTOR/ALGERIA



# DOMESTIC PROJECTS



Erection of OWG at Bridge No 04 - Sivok Rangpo Railway Line Project



Bridge P P1 Pile Cap Casting in progress-Sivok Rangpo Railway Line Project



Aprinchala Yard in Udhampur Srinagar Baramulla Rail Link Project



Hajipur Bachwara Doubling Project



Track Slab Manufacturing Factory (TSMF) - Mumbai Ahmedabad High Speed Rail Project



Well foundations in progress - Rampur Dumra Tal Rajendrapul Project



Katni Grade Separator Project



Behala Indoor Sports Stadium, Kolkata

# DOMESTIC PROJECTS



Nabinagar Super Thermal Power Project



Composite Girder - Katni Singrauli Rail Doubling Project



RE PKG-2, Badarpur-Jiribam



Relay Room Arrangement - Moradabad S&T Project



Vadodara Kim Expressway Project



Nagrakata SSP - RE NFR PKG7, Alipurduar



Breakthrough Event of Tunnel T9 in Sivok-Rangpo Railway Line Project



Breakthrough Event of Tunnel T14 in Udhampur Srinagar Baramulla Rail Link Project



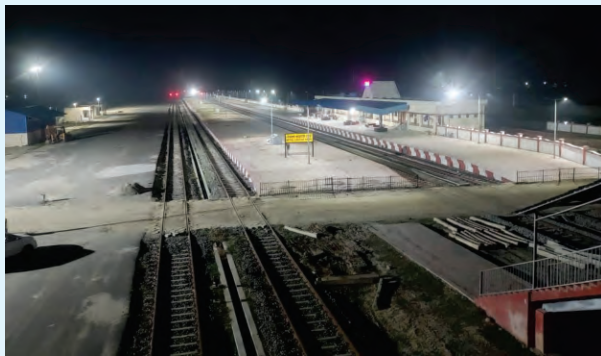
# FOREIGN PROJECTS



Relizane Station Building at Algeria



Rambau Railway Station, Malaysia



Nepal Custom Yard - Jogbani Biratnagar Project



Completed track work between Anuradhapura-Omanthai, Sri Lanka



OLE PWay and Loco Workshops at Gemas Station, Malaysia



Khulna Mongla, Bangladesh



Ballast Less Track at Cargo Yard Mongla Bangladesh,



ROB under construction above the completed double track, Algeria

Consistence performance  
recognised with awards  
and accolades from several  
renowned institutions.



D&B PSU Summit Award 2022



Greentech Environment Award 2022



ENR - Construction World Global Award 2022



# CSR ACTIVITIES DURING FY23

## HEALTH



Organising Medical Camp at J&K



Distributions Medicens undet the CSR Activity with Arogya Foundation



Conducting eye screening Camps for childrens at Jaisalmer by Ms PCB Trust

## SOCIAL



Conducting self defence training for girls at Baramulla district of Jammu and Kashmir

## EDUCATION



Providing free transportation facilities to marginalised schools children's at NCR









Providing Education at Villages of Tripura by Ekal Vidhalayas

“Our Environmental, Social and Governance framework is integrated across our business operations. We consistently strive to make a positive impact on the communities in which we operate through various CSR activities in the areas of health, education, economic welfare and environment protection etc.”

**CSR Spend**  
(from FY14 to FY23)  
**+ ₹ 77 Cr**

₹ in crore

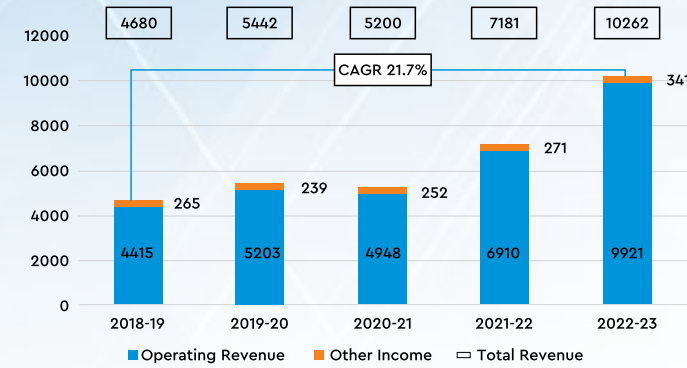
 <b>Swachh Bharat</b> (Incl. Sanitation) <b>11.22</b>	 <b>Art, Culture &amp; Sports</b> <b>1.68</b>
<b>Clean Ganga</b> <b>5.05</b> 	<b>Rural Development</b> <b>2.41</b> 
 <b>Health &amp; Nutrition</b> <b>12.34</b>	 <b>PM CARES Fund</b> <b>22.67</b>
<b>Education &amp; Skill Development</b> <b>12.28</b> 	<b>Others</b> <b>4.18</b> 
 <b>Forest &amp; Env.</b> <b>4.20</b>	 <b>Admn. &amp; Other Cost</b> <b>1.32</b>

**CSR Spend in FY 23**  
**+ ₹ 10.12 Cr**

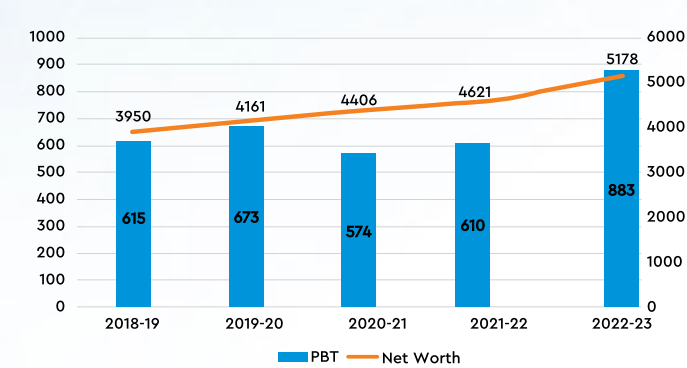


## Key Performance Indicators (Standalone)

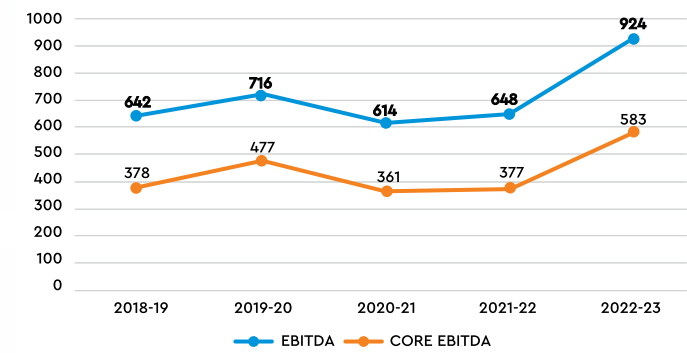
### Total Revenue/Operating Revenue:



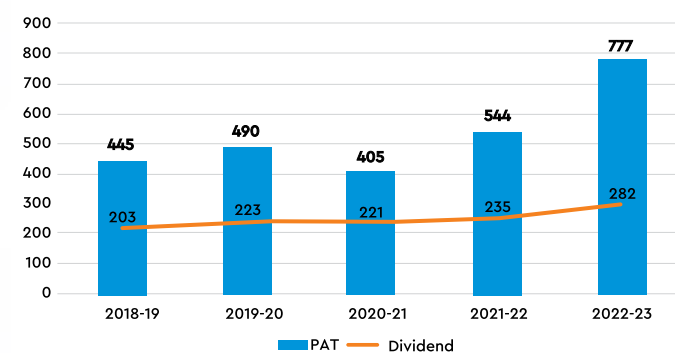
### Profit Before Tax (PBT)/Net Worth



### EBITDA/CORE EBITDA:

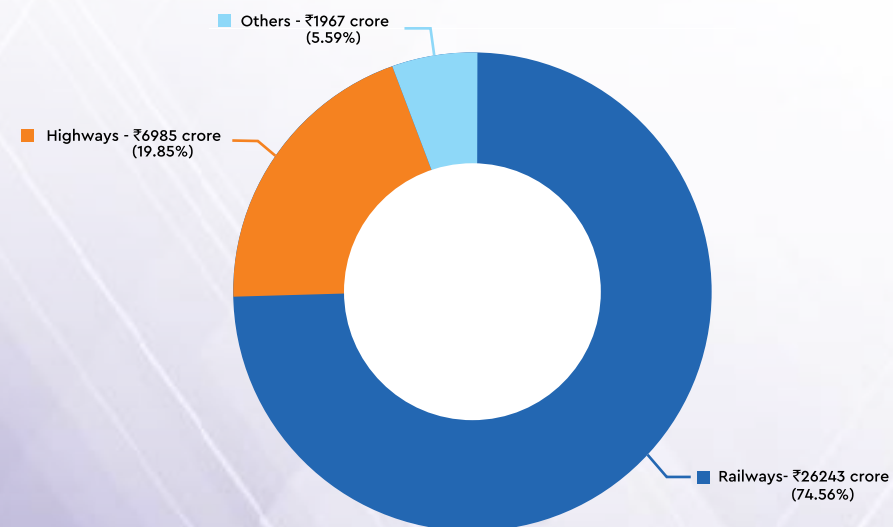


### Profit after Tax (PAT)/Dividend:



EBITDA = Profit Before Tax + Finance Cost + Depreciation & Amortization  
Core EBITDA = Profit Before Tax + Finance Cost + Depreciation & Amortization - Other Income

### Order Book - ₹35,195 Crore



## FINANCIAL HIGHLIGHTS (STANDALONE)

Sl. No.	Particulars	Ind AS										IGAAP	
		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2014-15	2013-14
1	Revenue from Operations	9,921	6,910	4,948	5,202	4,415	3,896	2,995	2,419	2,419	2,864	4,057	
2	Other Income	340	271	253	240	264	227	260	442	442	258	250	
3	Total Income	10,262	7,181	5,200	5,442	4,679	4,123	3,254	2,861	2,861	3,122	4,307	
4	Expenditure Before Finance Cost and Depreciation & Ammortisation	9,338	6,534	4,587	4,726	4,037	3,512	2,718	2,187	2,187	2,258	2,985	
5	Finance Cost	3	10	15	27	16	65	61	43	43	9	38	
6	Depreciation and Ammortisation	38	27	25	16	12	13	18	28	28	10	34	
7	Earning Before Interest, Tax and Depreciation (EBITDA)	924	647	614	716	642	611	611	673	673	863	1,321	
8	Earning Before Interest, Tax (EBIT)	886	620	589	700	631	598	593	645	645	853	1,287	
9	Profit Before Tax	883	610	574	673	615	533	532	602	602	844	1,249	
10	Profit After Tax	777	544	405	490	445	391	369	395	395	579	907	
11	Dividend for the Year	282	235	221	223	203	192	192	168	168	182	182	
12	Share Capital	188.10	188.10	94.05	94.05	94.05	94.05	98.98	19.80	19.80	19.80	19.80	
13	Capital Employed*	5,178	4,621	4,406	6,007	6,510	6,952	3,829	3,667	3,667	3,354	2,993	
14	Net Worth	5,178	4,621	4,406	4,161	3,950	3,752	3,829	3,667	3,667	3,354	2,993	
15	PBT Margin (%) (PBT/Total Income)	8.61	8.49	11.04	12.37	13.14	12.93	16.35	21.04	21.04	27.05	29.00	
16	PAT Margin (%) (PAT/Total Income)	7.57	7.58	7.78	9.00	9.51	9.48	11.34	13.81	13.81	18.56	21.06	
17	Return on Net Worth (%) (PAT/Net Worth)	15.00	11.77	9.18	11.77	11.27	10.42	9.64	10.77	10.77	17.28	30.30	
18	Return on Capital employed (%) (EBIT/Capital Employed)	17.11	13.42	13.36	11.66	9.69	8.60	15.48	17.59	17.59	25.44	43.02	
19	Number of Employees (No.)	1,341	1,278	1,295	1,369	1,576	1,622	1,496	1,499	1,499	1,472	1,579	
20	Income per Employee (Total Income/Number of Employee)	7.65	5.62	4.02	3.98	2.97	2.54	2.18	1.91	1.91	2.12	2.73	

\* During the Year 2021, the Company has offset loan from IRFC and amount recoverable from RLDA. Accordingly previous year's figures have been restated.





# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS

### MANAGEMENT DISCUSSION AND ANALYSIS

Investments in Infrastructure and productive capacity have a large multiplier impact on growth and employment. The infrastructure sector has become a key focus area for the Indian government in recent years. Recognizing the importance of high-quality infrastructure for the country's development, the government has launched several initiatives and undertaken various projects to improve and expand the infrastructure across the nation.

With rapid urbanization and population growth, cities are facing significant challenges related to traffic congestion, inadequate public transportation, and limited connectivity. To address these issues, the government has emphasized the development of transport infrastructure, including roads, highways, railways, airports, and urban transportation systems.

The government aims to enhance the mobility of people and goods, reduce travel times and costs, and boost economic growth. Efficient transportation networks play a vital role in connecting agricultural and manufacturing centers with markets, enabling the smooth movement of goods, reducing wastage, and improving competitiveness.

The government's initiatives such as the Bharatmala Pariyojana, Sagarmala, Smart Cities Mission, National Infrastructure Pipeline, and KAVACH have been instrumental in driving infrastructure development and attracting investments.

Overall, the government's emphasis on infrastructure development and the projected growth of the construction market in India highlight the commitment to creating world-class infrastructure that will enhance the country's productivity, competitiveness, and quality of life.

### GLOBAL ECONOMIC OVERVIEW

Three years since the outbreak of the COVID-19 pandemic, fiscal policy is returning to normal. After providing extraordinary support simultaneously in 2020, both monetary and fiscal policy tightened in nearly three-quarters of countries in 2022 amid high inflation and the expiration of pandemic-related spending measures. This shift occurred in a highly volatile environment. Just as economies rebounded swiftly from a deep COVID-19-related recession with continued strains in fiscal space, governments were confronted with a cost-of-living crisis, Russia's invasion of Ukraine, and instability in the financial sector.

The near-term fiscal outlook remains complex in current fiscal, and it is crucial that fiscal and monetary policies are closely aligned to deliver price and financial stability

while responding to an uncertain economic environment and rapidly changing financial conditions. In 2023, overall fiscal deficits are expected to increase slightly to 5% of GDP on average, as governments face higher interest bills and pressures to increase public spending, including spending on wages and pensions, to catch up with past inflation. If inflation proves to be stickier than expected, it will require tighter policies for longer. In a scenario of systemic financial stress, fiscal policy may need to intervene swiftly to facilitate the resolution process and minimize its costs, while mitigating moral hazard.

Over the medium term, fiscal deficits are projected to remain above pre pandemic levels in the next few years. The fiscal outlook is subject to significant uncertainty as the global economy rebounds from a series of shocks. Much will depend on the pace of long-term (potential) economic growth and the future course of global interest rates.

Commodity prices have declined sharply over the past six months, after many posted record-high levels last year. The World Bank commodity price index declined by 32% from its historic peak in June 2022, the sharpest drop since the COVID-19 pandemic started.

The base metal price index dropped below levels preceding Russia's invasion of Ukraine. It surged after the invasion but experienced a broad-based retreat amid slowing Chinese metal demand (accounting for roughly half of global consumption of major metals) and monetary policy tightening. Recent banking distress presents significant downside risks to prices. The base metal price index is projected to increase 3.5% in 2023 and then decrease 2.6% in 2024.

International Monetary Fund (IMF) in its' World Economic Outlook (April 2023), anticipated Global growth will bottom out at 2.8% this year before rising modestly to 3.0% in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% this year and 4.9% in 2024. The slowdown is concentrated in advanced economies, especially the euro area and the United Kingdom, where growth (also fourth quarter over fourth quarter) is expected to fall to 0.7% and (0.4%), respectively, this year before rebounding to 1.8% and 2.0% in 2024. Both output and inflation estimates have been revised upward for the past two quarters, suggesting stronger-than-expected demand, which may require monetary policy to tighten further or to stay tighter for longer.

Tentative signs in early 2023 that the world economy could achieve a soft landing with inflation coming down and growth steady have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised



## MANAGEMENT DISCUSSION AND ANALYSIS



interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies.

More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades.

### INDIAN ECONOMY

Global economic activity remains resilient amidst the persistence of inflation at elevated levels, turmoil in the banking system in some advanced economies (AEs), tight financial conditions and lingering geopolitical hostilities.

As per RBI Monetary Policy (April 2023), economic activity remained resilient in Q4FY23. The index of industrial production (IIP) expanded by 5.2% in January while the output of eight core industries rose even faster by 8.9% in January and 6.0% in February, indicative of the strength of industrial activity. In the services sector, domestic air passenger traffic, port freight traffic, e-way bills and toll collections posted healthy growth in Q4, while railway freight traffic registered a modest growth. Purchasing managers' indices (PMIs) pointed towards sustained expansion in both manufacturing and services in March 2023. The RBI's Survey of Professional Forecasters

conducted in March 2023 provides a median forecast of GDP at 6.0% for 2023-24.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2023, India's real gross domestic product (GDP) growth in 2022-23 was 7.2% as compared to 9.1% in 2021-22. GDP at Constant (2011-12) Prices in Q4 2022-23 is estimated at ₹43.62 lakh crore, as against ₹41.12 lakh crore in Q4 2021-22, showing a growth of 6.1%. GDP at Current Prices in Q4 2022-23 is estimated at ₹71.82 lakh crore, as against ₹65.05 lakh crore in Q4 2021-22, showing a growth of 10.4%.

As per RBI report, Foreign Exchange Reserves increased from USD 532.66 billion as at end-September 2022 to USD 578.45 billion as at end-March 2023. Foreign exchange reserves in nominal terms (including valuation effects) decreased by US\$ 44.6 billion during April-December 2022 as compared with increase of US\$ 56.6 billion in the corresponding period of the preceding year.

### Way Forward

The construction Industry in India is expected to reach \$1.4 Tn by 2025. Under National Infrastructure Pipeline (NIP), India has an investment budget of \$1.4 Tn on infrastructure, which includes 24% on renewable energy, 18% on roads & highways, 17% on urban infrastructure, and 12% on railways. 35 Multimodal Logistics Parks (MMLPs) to be developed at a total capital cost of \$ 6.1 Bn, will cater to 50% of the freight movement.

In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP. The Indian government has introduced various formats in order

## MANAGEMENT DISCUSSION AND ANALYSIS

to attract private investments, especially in roads and highways, airports, industrial parks and higher education and skill development sectors. The 'Green Energy Project' is an initiative to make Indian Railways environment friendly by focusing on renewable sources of energy. In February 2023, the network planning group (NPG) under the PM Gati Shakti initiative has approved three railway projects related to doubling of lines between Aurangabad and Ankal in Maharashtra.

International Monetary Fund (IMF) in its World Economic Outlook (April 2023), estimated the Indian GDP growth of 5.9% in 2023 and 6.3% in 2024, which is well above the global GDP growth of 2.8% and 3.0% respectively.

### INDUSTRY OVERVIEW

Infrastructure plays a huge role in propelling other industries and India's overall development. The government, therefore, focuses on the development of infrastructure and construction services through focused policies such as open FDI norms, large budget allocation to the infrastructure sector, smart cities mission, etc. PM launches Gati Shakti Master Plan to integrate different modes of transportation and increase the speed of



infrastructure development in India. India is committed to build modern infrastructure for the 21st century. The logistics cost in India is 13% to the GDP as compared 8% in the rest of the world, making it difficult for Indian exports to compete globally. The government is working to bring down logistics cost to GDP to 7.5% from the current 13%.

Investments valued at USD 965.5 mn will be required by the infrastructure sector by 2040. 100% FDI through the automatic route is permitted in Construction of roads or bridges and Construction of city and regional level infrastructure projects.

Indian Railways has prepared National Railway Plan (NRP) to create a 'future ready' Railway system by 2030. Indian Railways estimated CAPEX of ₹25.02 Lakh Crore excluding Rolling Stock of ₹13.18 Lakh Crore under NRP 2021-2051. The NRP is aimed to formulate strategies based on both

operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% from 27%. In NRP, new Dedicated Freight Corridors and High-Speed Rail Corridors have been identified.

With the objective to bring down logistics costs below the national average by 2028 to make exports globally competitive, the Government has made a plan of ₹100 lakh crore investment in infrastructure with some mega projects such as the doubling of railway lines, their widening, dedicated freight corridors from Mumbai to Delhi and Amritsar to Kolkata besides 11 other industrial corridors.

In the Budget 2023, a capital outlay of ₹2.40 lakh crore has been provided for the Railways for 2023-24. This highest ever outlay is about 9 times the outlay made in 2013-14. One hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. In the Budget, allocation for Roads and Highways has raised to ₹2.7 lakh crore for 2023-24. The Government is working towards the development of a national highway network of 2 lakh kilometres by 2025.

### Railway Sector

A capital outlay of ₹2.40 lakh crore (US\$ 29 billion) has been provided for the Railways in budget 2023, which is the highest ever outlay. Indian Railways is also exploring a new public-private partnership (PPP) model to attract private investment to redevelop railway stations. Under this model, investors would receive up to 40% of the total project cost as viability-gap funding (VGF) and be allowed to use the space above platforms and tracks commercially. Under the hybrid PPP model, bids will be chosen based on the quantum of VGF support required by the private investor. The private developer will be allowed to develop air space to generate additional





## MANAGEMENT DISCUSSION AND ANALYSIS

revenue through commercial activities, including the lease of office space, development of entertainment and recreational facilities, hospitality services, malls and even healthcare facilities.

The government announced 5,000 km of Metro rail network by 2047 in 100 cities. One Station One Product scheme aims to provide opportunities for enhanced livelihood through skill development through provision of sale outlets at railway stations across India. Station redevelopment project will boost the passenger experience, generate new employment opportunities and have a multiplier effect on India's economy. Taking cognizance of its significance in overall infrastructural development, the NIP envisages the investment in Indian Railways worth ₹11.43 lakh crore till 2024-25.

2,000 km of network will be brought under Kavach, the indigenous technology for safety and capacity augmentation. 'One Station-One Product' concept will be popularized to help local businesses and supply chains.

Indian Railways has planned to install 1000 MW of solar power plants and about 200 MW of wind plants. Out of this, about 204.82 MW (101.42 MW solar and 103.4MW wind power) renewable power has already been set up.

### Road Sector

India has the second-largest road network in the world, spanning over 6.3 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.

Historically, investments in the transport sector have been made by the Government. However, in order to encourage private sector participation, the Ministry has laid down

comprehensive policy guidelines for private sector participation in the development of National Highways. 100% Foreign Direct Investment (FDI) is allowed under the automatic route in the road and highways sector, subject to applicable laws and regulation. The government has forecasted an investment of US\$ 350 billion towards road infrastructure in the North-East region of India during 2020-25.

The Indian government launched Gati Shakti National Master Plan, which will help lead a holistic and integrated development of infrastructure generating immense employment opportunities in the country. The aim of the plan is to create a digital platform that would enable 16 ministries to collaborate on integrated planning and coordinated implementation of projects. The plan will also bring together departments such as railways, roads & highways and others and implementation will be done with the help of geo-satellite imaging and Big Data, land and logistics. India's Gati Shakti program has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The main aim of this program is a faster approval process which can be done through the Gati shakti portal and digitized the approval process completely.

A total length of 24,800 kms in road projects have been proposed to be constructed with an estimated outlay of ₹ 5.35 trillion (US\$ 74.15 billion) under Bharatmala Pariyojana Phase-I. NHA will consider only those projects that require minimal land acquisition worth ₹3 trillion (US\$ 42.92 billion) under Bharatmala Pariyojana scheme. A total of 65,000 kms of roads and highways are to be constructed under Bharatmala Pariyojana. In 2023-24, NHA is allocated ₹1.62 lakh crore (US\$ 20 billion), all of which is budgetary support.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Government is also concerned with the formulation of broad policies relating to regulation of road transport in the country, besides making arrangements for movement of vehicular traffic with the neighboring countries. Improving the road safety scenario in the country is one of the most important and challenging activities of the Road Transport Wing. The arterial roads of the country for inter-state movements of goods and passengers. They traverse the length and width of the country connecting the National and State capitals, major ports and rail junctions and link up with border roads and foreign highways.

In Budget 2023-24, the Government of India has allocated ₹2.7 lakh crore (US\$ 33 billion) to the Ministry of Road Transport and Highways. The Government of India has allocated ₹111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25. In December 2022, NHA raised ₹10,200 crore (US\$ 1.23 billion) from foreign and Indian institutional investors to meet ever-growing budgetary support. The government also aims to construct 23 new national highways by 2025.

### Renewable Energy Sector

India has low conventional energy resources compared to its required energy needs driven by a huge population and a rapidly increasing economy. However, India can harness the huge potential of solar energy as it receives sunshine for most of the year. It also has vast potential in the hydro power sector which is being explored across states, especially in the northeast.

As of February 2023, Renewable energy sources, including large hydropower, have a combined installed capacity of 174.53 GW. India is the only country among the G20 countries who is on track to achieve its targets under the Paris Agreement. ICRA expects renewable energy capacity addition of 12.5 GW in FY22 and 16 GW in FY23.



India has set a target to reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve 50 percent cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. The non-hydro renewable energy capacity addition stood at 4.2 GW for the first three months of FY23 against 2.6 GW for the first three months of FY22.

Power generation from solar and wind projects are likely to be cost-competitive relative to thermal power generation in India in 2025-2030. Investment in renewable energy in India reached a record US\$ 14.5 billion in FY22, an increase of 125% over FY21.

On November 9, 2022, Ms. Nirmala Sitharaman, Minister for Finance & Corporate Affairs, approved the final Sovereign Green Bonds framework of India. The Paris Agreement's Nationally Determined Contribution (NDC) targets will be further strengthened by this approval, which will also aid in attracting foreign and domestic capital to green projects.

The country plans to reach 450 GW of installed renewable energy capacity by 2030, with 280 GW (over 60%) expected from solar power. The ambitious target of 450 GW will provide investment opportunities worth US\$ 221 billion by 2030.

In Budget 2023-24, Green Growth identified is one of the nodes in the SAPTARISHI (seven priorities). Budget 2022-23 announced the issuance of sovereign green bonds, as well as conferring infrastructure status to energy storage systems, including grid-scale battery systems. The government allocated ₹19,500 crore (US\$ 2.57 billion) for a PLI scheme to boost manufacturing of high-efficiency solar modules. In the Union Budget 2022-23, the allocation for the Solar Energy Corporation of India (SECI), which is currently responsible for the development of the entire renewable energy sector, stood at ₹1,000 crores (US\$ 132 million).

India's liberal foreign investment policy permits 100% FDI in the renewable energy sector. It has been estimated that renewables will comprise 49% of India's power generation by 2040.

### COMPANY OVERVIEW

Ircon International Limited (IRCON), an integrated engineering and construction company having expertise in major infrastructure sectors including railways, highways, bridges, flyovers, tunnels, metro, railway electrification, EHV sub-stations, electrical and mechanical works, commercial and residential buildings, railway production units, amongst others. It offers Engineering Procurement and Construction (EPC) services on a lumpsum turnkey, EPC and item-rate basis for



## MANAGEMENT DISCUSSION AND ANALYSIS

various infrastructure projects. To boost coal evacuation from states like Odisha, Jharkhand & Chhattisgarh, IRCON is executing coal connectivity projects in joint venture with other CPSEs under the Ministry of Coal. In addition to this, IRCON executes projects on Build, Operate and Transfer (BOT) mode and Hybrid Annuity Mode (HAM) by leveraging the financial strength of the Company to build long term wealth.

IRCON, a prominent public sector construction company in the country, has established itself as a leader in Transportation Infrastructure, particularly in the execution of Railway Projects. The Company is renowned for its high-quality solutions, unwavering commitment, and consistent performance.

Over the past 47 years, IRCON has successfully completed numerous significant construction projects, both domestically and internationally. The Company has actively pursued a strategy of diversification, expanding its presence in various sectors and geographical locations. While IRCON ventured into the field of Solar Power Development recently, its primary focus and core strength have always remained firmly rooted in the railway sector.

The Company has consistently paid dividends to the government, highlighting its financial stability and success and is amongst the few construction companies in the public sector to have earned substantial foreign exchange for the country.

Over the years, IRCON has expanded its business footprints in different geographies such as Algeria, Afghanistan, Bangladesh, Bhutan, Brazil, Indonesia, Iran, Iraq, Liberia, Malaysia, Mozambique, Myanmar, Nepal, Nigeria, Saudi Arabia, South Africa, Sri Lanka, Turkey, UK, and Zambia. So far, the Company has completed over 128 projects in 25 countries across the globe, and more than 400 projects in India. In the domestic market, it specializes in working in difficult terrains and disturbed regions. Furthermore, it is an active participant in prestigious nation-building projects.

While IRCON has its presence in many states in India, it intends to further expand its domestic operations across the nation as part of its business growth model.

### LEGAL STATUS AND AUTONOMY

IRCON is a Schedule 'A', and a Mini Ratna-Category-I public sector listed company. It is a legal entity separate from the Government, and is a lawfully, functionally, and financially autonomous Company that operates under the corporate laws as an independent commercial enterprise. The Company does not receive any budgetary or financial support from the Government and is not dependent on the Government for any aid or assistance. However, the

Government of India through the Ministry of Railways and the Department of Public Enterprises under the Ministry of Finance monitors the Company's performance through a system of Memorandum of Understanding (MOU). It reviews the targets to be achieved every year as part of accountability to the Parliament in respect of all government companies. The Government issues guidelines from time to time to regulate and bring about some uniform pattern in the functioning of the Company as a public sector enterprise.

The Promoter of your Company i.e. the President of India holds 73.18% of the total paid-up equity share capital of the Company, as on March 31, 2023. The Government of India (GOI) had disinvested 10.53% paid-up equity share capital through Initial Public Offer (IPO) in September 2018. Further, in March 2021, through Offer for Sale (OFS) GOI divested 16% paid-up equity share capital, the Company is compliant with the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

As per 2022 edition of USA's Engineering News Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 International Contractors as well as under top 250 Global Construction Contractors. Further in the Business Standard BS 1000 Annual Magazine released in March 2023, IRCON has been ranked 164 in 2022 by total revenue, and ranked 7 in terms of sector performance under the 'Construction and Infrastructure' Sector. IRCON is also ranked 226<sup>th</sup> in 2022 in the list of fortune India 500.

## BUSINESS UNITS / DIVISIONS

Major business units / divisions of IRCON are as follows:

### 1. Civil Engineering Department

IRCON has established itself as a prominent construction organization in the country, with the Civil Engineering Department serving as the backbone of the Company and generating a significant portion of its revenue. It plays a pivotal role and provides leadership in the successful execution of large-scale composite projects. The department input and leadership are essential for the smooth implementation of the numerous projects awarded to IRCON.



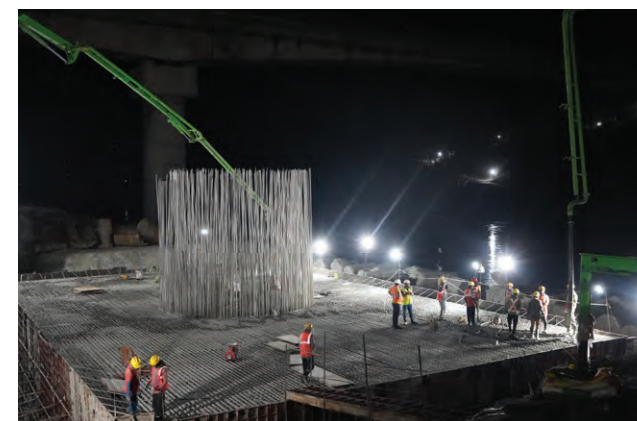
## MANAGEMENT DISCUSSION AND ANALYSIS

This department is led by a highly experienced senior management team, consisting of professionals from renowned Engineering and Business Schools. They are supported by a large group of motivated and skilled Civil Engineers who have graduated from prestigious institutes



like IITs and NITs. As on March 31, 2023, there are 690 Civil Engineers in the department, accounting for approx. 50% of the total staff strength.

IRCON is committed to incorporate the latest technology in project execution to ensure timely and cost-effective delivery. With its highly qualified and experienced



workforce, the Company has significantly enhanced its competitiveness in the construction industry. It has an impressive track record of growth and expansion in various construction domains, including Railways, Highways, Bridges, Flyovers, Airports, Commercial & Industrial Buildings, Tunnels, Water treatment Plants, Residential Quarters, and more. IRCON's Civil Engineers are adept at working in remote areas, both in India and abroad, utilizing advanced Project Management Tools such as Primavera, TILOS, and MS Project. They are also trained in the latest surveying techniques, including GPS Surveying, Aerial LIDAR Surveying with Drones, and Total Station Surveying.

The department has successfully completed numerous mega projects, demonstrating its competency in delivering projects such as the High-Speed Railway

Line in IRAQ, Jamuna Bridge Rail Link-II in Bangladesh, the Double track project between Seremban & Gemas in Malaysia, the Upgradation of Railway Lines in the Northern Province of Sri Lanka, the completion of the Qazigund – Baramulla New BG Railway Line in J&K, and the completion of the 11.2 km Pir Panjal Tunnel, the longest transportation tunnel in India, in J&K. IRCON is the only public sector undertaking (PSU) to connect the rail network in the J&K State's valley region.

The department has developed expertise in tunneling in the Himalayas, utilizing advanced technologies such as NATM. It takes great pride in having more than 200 trained tunnel Engineers and successfully completing over 100 km of tunnel mining in the challenging geology of the Himalayas. Another significant tunnel, the 12.75 km long tunnel on USBRL Project, is nearing completion, which will be the longest transportation tunnel in the country.

With its extensive pool of experienced Civil Engineers and its accomplishments in tunneling through the challenging geology of the lower Himalayas (such as the USBRL in J&K State and Sivok Rangpo in West Bengal & Sikkim), IRCON has emerged as a pioneer in the field of tunneling in India.

### 2. Design and Development Cell

IRCON's Design and Development Cell (D.D. Cell) is dedicated to develop in-house civil designs & review designs submitted by consultants duly addressing safety, durability etc. as per all the relevant CODAL provisions, value engineering, optimisation of design, estimation of quantities for bidding for various big-ticket national & international projects and other civil engineering solutions to most of IRCON's projects. Sophisticated design softwares such as Bentley Open Rail/Open Roads (for Alignment Design), STAAD Pro & MIDAS (For Structural design and Bridge Design), IITPAVE & KGPBACK (Pavement & Overlay Design), SLIDE (For Slope Stability Analysis of Soil) besides others are being used for developing design and corresponding drawings are developed with the help of efficient CAD Engineers.





## MANAGEMENT DISCUSSION AND ANALYSIS



The in-house design team has extensive experience in various areas including Alignment Design, Bridge Design, RCC/Steel Structures Design, Buildings Design, Highway Pavement Design, Geo. Technical Solutions and Hydrological Studies etc. The in-house design team comprises highly experienced Civil Engineers who have graduated from top ranking Engineering Colleges of India such as IITs, NITs and other reputed colleges. The team is ably supported by other departments viz. civil engineering, electrical and signaling as and when required.

Through DDC, IRCON is member in the following code/standard committees and shares the knowledge and contributes in developing/modifying codes/standards:

- IS Codal Committee CED54: concrete reinforcement sectional committee: Standardization in the field of reinforcement for concrete including pre-stressing steel
- Standardization of Bridge Girders: Designing Long Span Steel based road bridges, convened by Ministry of Steel, Government of India.

IRCON Design Team has been extensively involved in finalizing designs of various domestic projects as well as international projects viz. Mokama Viaduct Project, Mahanadi Coal Rail Linked project, ROBs at Shalimar & Santragachi project, Shivpir-Kathautia Rail line project, Agartala- Akhaura (India Portion) Railway Viaduct Project, Chhattisgarh East West Rail project Gevra-Pendra Section, Sivok Rangpo Railway line project, Maho-Omanthai railway line project in Sri-Lanka, Gurgaon-Rewari Highway Project, DFCCIL CTP-12, CERL Dharamjaigarh-Kharsia section including spur line and feeder line. Some of the noteworthy projects done earlier wherein DD Cell has been involved in providing design solutions are: 2-tier Road cum Railway Bridge across River Ganges in Bihar at Digha Ghat, Bikaner-Phaloudi Road Project, Buildings of RAPDRP, Jammu, Railway link in Northern province of

Sri Lanka, Railway Bridges of Jaynagar Bardibas Railway Project (India and Nepal), Seremban-Gemas Electrified double track Railway Project (SGEDT) in Malaysia, Beira Rail Project in Mozambique including Dona Ana Bridge across the mighty River Zambezi etc.

The team has also played an important role in quantity estimation while bidding for various major rail/road projects viz 4-Laning of NH in districts of Darjeeling & Jalpaiguri, Maldives Harbor Project, Sudhmahadev - Dranga Tunnel of approx. length 4.5 Km and its approach roads on Chenani Sudhmahadev-Goha road portion, Vailoo Tunnel of approx. length 10.00 Km under Sinthan Pass and its approach roads on Goha - Khellani - Khanabal road portion, HRIDC C-4, C23 Project, High-Speed Rail Project C4, C5, C6 & C7 Packages, Gurgaon-Rewari Highway Project, DFCCIL CTP 1, 2, 3, 3A, 11, 12 Packages, Vadodara-Kim Expressway Pkg-II, Davanagere-Haveri in Karnataka, Shivpuri-Guna Highway Project, Etihad Rail in UAE, various projects in Bangladesh, Maldives, Iran, Ethiopia, Oman etc.

### 3. Electrical Department

As leading turnkey project execution Company in Railway Sector, Railway Electrification wing supports the project in end-to-end solution. The Electrical Department provides expertise in 25 kV Railway Electrification Works, HT Grid & Traction Sub-station of voltage classes up to 400 kV, EHT Transmission line, EHV cabling work, Industrial Electrification of mega industrial plants & Loco Sheds, Power supply distribution network for Cities, Metro Railways (AC & DC Systems) and Airports, Tunnel's Power Supply and Ventilation System, Electrification including Power Supply sub-stations in Metro Railways and Renewable Solar Energy works.

IRCON undertook its first major Railway Electrification Project of Delhi - Ring - Railway in 1980 and offered environment friendly electric traction services to passenger in Asian Games organized in 1982. Thereafter, in its journey of 4 decades, the company has executed more than 8000 TKM of Railway Electrification work in India & abroad and established itself as leader in the market.

IRCON has also entered into Renewable Energy business and is executing 'Setting up of 500 MW Grid Connected Solar Power Plant under the Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme)' through new technology Monocrystalline Passivated Emitter and Rear Cell (PERC) Bi-facial Solar Photo Voltaic (SPV) Modules with Tracker and will supply approximately 1076 million Units per year to Railways.

## MANAGEMENT DISCUSSION AND ANALYSIS



IRCON has executed many H.T. sub-station works up to 400 kV in India and abroad. Majority of sub-station works in all three phases of DMRC are executed by IRCON. IRCON has also acquired capability to execute Gas Insulated Sub-station (GIS) and Transmission Line projects up to 220 kV.

Tunnel Ventilation and its power supply in long Rail Tunnel is highly technical and challenging work which was successfully executed by IRCON in Pir-Panjal Rail Tunnel, J&K (11.2 km T80 - longest railway tunnel in Asia) wherein successful commissioning was done by IRCON for tunnel ventilation and safety (Electro Mechanical) works. Further, ongoing works include about 54 km of Electro Mechanical works in railway tunnels T77/74R, T49/50, T48, T14, T15 connecting Kashmir valley to India. Complete turnkey E&M work includes design, planning, project management, testing, commissioning, operation, and maintenance facility for Electrical Works (complete HT and LT works), Tunnel Ventilation System (TVS), Fire Fighting Systems, Operational Management and Control System (SCADA). Furthermore, about 38.6km of Electro Mechanical works in railway tunnels T1 to T14 connecting Sikkim to India is also under planning stage.

IRCON has the experience of executing railway electrification work at high altitude as well (1650m above msl) which is being implemented in Indian Railways for the first time for USBRL Project at J&K between Baramulla to Banihal including tunnel T80 with Flexible Overhead catenary system. Moreover, IRCON is also executing about 38km of Rigid Overhead Catenary system (ROCS) works in J&K which is also being implemented for the first time in Indian Railways.

With the experience and expertise of the Company in the Electrical field, it has also entered into a new field of India's first Semi-High Speed Rapid Transit System, and is executing electrical works in Delhi-Meerut Section for National Capital Region Transport Corporation (NCRTC). For the Delhi-Meerut Section of NCRTC, a total of approx. 10 kms of 220 kV power transmission line, 34 kms of 33 kV & 1.2 kms of 25 kV Cabling have been done along with

energization of 02 Nos. Receiving Sub-Stations (RSS) of 220/33/25 kV at Ghaziabad & Muradnagar including 05 Nos. of Auxiliary Sub-Stations (ASS) of 33/0.415 kV at Ghaziabad, Guldhar, Sahibabad, Duhai Station & Duhai Depot. Furthermore, Overhead Equipment (OHE) of 17 kms with a design speed of 180 kmph has also been commissioned from Sahibabad-Duhai including Duhai Depot.

For the prestigious 'Mission Railway Electrification' of the Ministry of Railways (Government of India), IRCON is executing more than 2900 RKM and 32 sub-station works in various Railway Electrification works, wherein more than 900 RKM & 06 Nos. Traction Sub-Stations (TSS) have been commissioned.

### 4. Mechanical Engineering Department

Mechanical Engineering Department is a team of proficient, experienced as well as young, dynamic and energetic mechanical engineers. It has the capability to design, install and commissioning of new rolling stock production unit, workshop or diesel shed apart from re-engineering the existing units with the objective of increased production / out- turn in an efficient and economical ways by having the optimum utilization of resources as per the requirement of the end use customer from domestic as well as foreign market. Team is also capable for handling operations and maintenance of Rolling assets.

Our team delivers the projects in time even with crashed target as per the customer requirement by utilizing the latest project management tools such as MS Project, Six sigma, Primavera etc. along with the mobilizing of physical resources across the globe.

Recently, IRCON has bagged a prestigious High Speed Rail project i.e. MAHSR-T2 project from NHRCL. This High Speed Rail Project is being executed by Govt. of India





## MANAGEMENT DISCUSSION AND ANALYSIS

under the expert guidance of Japanese Consultant from Shinkansen Bullet trains. As per the methodology adopted by the Japanese consultant all the track machineries to be deployed in the construction of Track & Track related works are either Japanese machineries or machines developed by Japanese Engineers/ manufacturer's for track related works. IRCON, Mechanical team has developed these critical machineries in-house under Make-in-India program by guiding Indian Manufacturer's on the technical design and specific functional requirement of the track machines. In this endeavor, IRCON has not only developed Indian manufacturers at par with Japanese design but also saved a significant cost to IRCON by getting these track machineries manufactured in India instead of procuring these machines from Japan. Some of these track machineries are Rail Feeder cum drawer Car, Track Motor Car, Trolley/ Wagons & Flash Butt Welding machines. These machines are specially developed in the same line as that of Japanese technological requirements.

This department has not only setup the Modern and State-of-the-Art Stainless Steel Coach Production units at Rai-Bareilly in a record time and beating the targets by a leap, but also upgraded the diesel sheds so that it can simultaneously home Diesel as well as Electric Locomotives.

Coach production facility at Rai-Bareilly is an engineering marvel and an integrated unit having all the facilities for turning out a finished coach from the basic raw materials such as rolled steel sheets. This facility has Coach/Shell fabrication Line, Robotized welding equipped Bogie Fabrication Shop, furnishing, finishing shop, Wheel Shop, State of the art Paint Shop along with all the subsidiary systems such as Material auto storage and retrieval system etc., Power Substation along with one of the largest Solar park of 3 MW in the area, residential colony for working personnel as well as for top management along with 100 bedded hospital, cricket stadium, athletic track, FIH certified Hockey stadium and 18 hole golf course apart from other facilities. This makes the unit as self-sustaining unit.

Exporting of locomotives, freight wagons and passenger cars along with leasing and maintenance of locomotives, track machines are other key capabilities of the department. Thus our mechanical department is having expertise in all domain areas of Rolling Stock asset management i.e. right from areas of construction of facilities to maintenance of assets along with Business Process Re-engineering of existing facilities. This experience has been gained by implementing large projects not only in India but also at abroad for various government and/or multilateral funding agencies & other organizations.

Apart from above, projects undertaken by the department includes Detachment free rake examination facilities at Exchange Yard of Bondamunda (SER), Setting up of Wheel Shop at Rail Coach Factory, Kapurthala; Augmentation of Diesel Loco Shed, Vishakhapatnam; Supply of 10 (Ten) units YDM4 (Meter Gauge) Locomotives to Royal Railways, Cambodia; Supply of 6 (Six) units 2300HP AC/ DC (Broad Gauge) Locomotives with Co-Co bogies to Sri Lankan Railways, Sri Lanka; Leasing and Maintenance of Diesel Loco to KTMB, Malaysia where in more than 85% availability of rolling assets has been obtained for a span of more than two decade, this itself reflects exceptional capability of IRCON for maintaining rolling assets.

### 5. Signal & Telecom Department

Since its inception in 1976, IRCON has been providing turnkey Signal & Telecom (S&T) solutions for Railways in India and abroad; IRCON has unique distinction of executing Signaling & Telecom (S&T) projects in various countries as per their local codes, manuals and standards. With in-house design, construction and project management capabilities, all projects have been delivered satisfactorily on agreed timelines.

IRCON has been executing number of state-of-the-art S&T projects, starting from Relay Interlocking to Electronic Interlocking (EI), Automatic Train Protection (ATP), Centralized Traffic Control (CTC) systems, Integrated Tunnel Communication System(ITC). In the year 2022-23, IRCON commissioned Signalling Works at 60 Stations of Indian Railways as part of Doubling, New Line, RE Modifications, Replacement works. IRCON has been at the forefront of technology in execution of telecom works, and executed Telecom Projects of Synchronous Digital Hierarchy (SDH), Multi Protocol Label Switching (MPLS) Technologies in Sri Lanka, Bangladesh, Nepal, Malaysia and India. IRCON has also executed IP-EPABX, IP-CCTV, PA system and Integrated Passenger Information System (IPIS) Works.



## MANAGEMENT DISCUSSION AND ANALYSIS

### 6. Business Development Department

IRCON's Business Development Department has a dedicated team to drive order books, develop and evaluate bidding strategies as well as to identify new business opportunities to generate and nurture future business of the Company in the fast-paced competitive environment.

In the past years, Business Development Department of IRCON has secured projects in railway, highway, tunnel, metro, solar, electrical & mechanical, signaling & telecommunication, buildings etc. both in competition and nomination basis. The Railway Board has changed its policy and works are now being awarded through open bidding process. Accordingly, IRCON through its Business Development department competes with the other players including private players and participates in tenders of various railways and secures works on the basis of competitive bidding.

In the year 2022-23, the Business Development Department of IRCON has secured 4 Projects. This includes development of two New Industrial Estates in Union Territory of Jammu and Kashmir, the work for Signaling and Telecommunication System from Maho Junction (Including) to Anuradhapura (Excluding) in Sri Lanka under Indian Line of Credit worth ₹121.75 Crore, Establishment of Railway Siding along with Railway Station contiguous to Mine Lease Boundary of Gare Pelma Sector-III Coal Mine worth ₹75 Crore and Detailed Engineering & Project Management Consultancy (PMC) Services for "Development of Rail Infrastructure for proposed 02 nos. RLS (20 MTY) for Ananta OCP of Jagannath Area, MCL at modified route at Talcher worth ₹14.21 Crore.

The Department is also engaged in the process of formation of Strategic MOUs and alliances to explore new business opportunities and to frame and review the Corporate Plan of the Company.

The department is aggressively pursuing infrastructure projects in countries such as Bangladesh, Maldives,

Malaysia, Myanmar, Nepal, Sri Lanka, Middle East and African Countries which will help in fostering future growth of IRCON.

### 7. Estate Management Department

Over the years, from diversification into entire spectrum of infrastructure your Company's nature of business has also changed from a construction company to a project development and operation company including, real estate and commercial operations among other activities.

With the objective of growth in the Real Estate Business in medium and long terms viz., development of the plots, construction of buildings, leasing and / or sell out of the immovable properties and other matter related to the properties like tax and legal matters, IRCON has set up the Estate Management Department. This department is professionally managed and constituted to manage IRCON's existing real estate and undertake real estate development projects including property tax matters.

Among real estate projects, IRCON has constructed many commercial buildings, institutional buildings, railway stations and townships etc. in India such as multi-storied commercial complexes for CIDCO in Navi Mumbai, 500 bedded Hospital in Bhopal, Veterinary Science Animal Husbandry college campus in Aizwal, three major residential townships at Jhansi, Bhopal and Allahabad for Ministry of Defense, projects connected to Pusa University, Banaras Hindu University, CIFE, Mumbai, Vashi Railway Station, Multi-Functional Complexes (MFCs), Rail Coach Factory at Kapurthala as well as at Raebareilly etc. IRCON has developed its own corporate office which is a modern and smart office featuring all elements of Green Building.

Foreseeing the growth in Real Estate Sector, IRCON has accumulated a large portfolio of real estate properties and assets in metropolitan cities such as Mumbai, Chennai, Kolkata, Bangalore, Noida and Gurugram etc. for commercial development. Your Company had acquired 8 plots in different sectors, on leasehold basis for 90 years,





## MANAGEMENT DISCUSSION AND ANALYSIS

at NOIDA and has successfully Leased out 22,023 Sq. mt. of built – up space for Commercial and Office use. The Company has also developed property in Sector 32, Gurugram, Haryana and this property is registered with the trademark authorities in India as 'IRCON INTERNATIONAL TOWER'. About 2079Sq. mt. carpet Area of this property has been Leased Out to government agencies and balance available space is in the process of leasing out. Apart from the Office Spaces, IRCON International Tower, Sector-32, Gurugram, accommodates state-of-the-art 250 seats auditorium and training center equipped with latest equipment along with an accommodation facility.

### FINANCIAL PERFORMANCE

During FY 2022-23, highest ever total income of the Company was achieved ₹10262 Crore as against ₹7181 Crore in the previous financial year, thus showing an increase of 42.90%. More than 96.68% of the Company's total income i.e. ₹9921 Crore has been recorded from operations which is 43.57% higher as compared to the operating turnover of ₹6910 Crore of FY2022. Out of the

S. N.	Name of Ratio	Formula	Unit	FY 2023	FY 2022	% Change	Reason for change more than 25%
1.	Debtors Turnover Ratio	Net Credit Sales/ Average Trade Receivable	In times	12.58	11.39	10.45	-
2.	Inventory turnover Ratio	Cost of Goods Sold/ Average Inventory	In times	37.73	32.02	17.86	-
3.	Current Ratio	Current Assets / Current Liabilities	In Times	1.49	1.40	5.96	-
4.	Debt-Equity Ratio	Debt / Total Shareholders' Equity	Percentage	0.00	0.00	0.00	-
5.	Operating Profit Margin	(PBIT-Other Income) / Turnover	Percentage	5.50	4.96	10.88	-
6.	Net Profit Margin	Net Profit / Total Income	Percentage	7.57	7.58	-0.13	-
7.	Return on Net Worth	Net Profit / Average Net Worth	Percentage	15.88	12.07	31.66	The movement is primarily on account of incremental income generated in the current year being higher vis-à-vis the increase in net-worth.

During FY 2022-23, the Company has complied with the guidelines prescribed by the Accounting Standards while preparing the financial statements (standalone and consolidated), and no deviation has been made in the reporting of the financial information.

The movement is primarily on account of incremental income generated in the current year being higher vis-à-vis the increase in net-worth.

### OPERATIONAL PERFORMANCE

#### SECTORAL PERFORMANCE

During FY2022-23, around 93.87% of the revenue earned by IRCON is contributed by the Railway sector. The main focus business area for IRCON is Railways, however, the Company is also concentrating on Highways business, which generates approximately 5.88% revenue and remaining from other areas such as electrical and building works.

total amount of operations, 4.15%, that is ₹411.84 Crore has been achieved through international projects.

The Profit Before Tax (PBT) and Profit After Tax (PAT) have increased by 44.75% and 42.83%, respectively and it stood at ₹883 Crore and ₹777 Crore, respectively.

The details of interim dividend declared and paid and proposed final dividend for FY 2022-23 for consideration and declaration by the shareholders, over and above the interim dividend at the forthcoming AGM are mentioned in the Directors' Report under 'Financial Highlights'. Further, the details of significant changes (that is, change of 25% or more as compared to FY 2021-22 in the key financial ratios) along with detailed explanations thereof forms part of the Financial Statement.

#### Key Financial Ratios

The details of significant changes (that is change of 25% or more as compared to FY2022 in the key financial ratios) along with detailed explanations thereto is placed below:

## MANAGEMENT DISCUSSION AND ANALYSIS

### SECTOR WISE PERFORMANCE:

(₹ in Crore)

Sectors	FY2023		FY2022		FY2021	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	9313.47	93.87	6387.72	92.44	4215.21	85.05
Highways	583.23	5.88	496.92	7.19	718.56	14.50
Others	24.50	0.25	25.51	0.37	22.16	0.45
<b>Total</b>	<b>9921.20</b>	<b>100</b>	<b>6910.15</b>	<b>100</b>	<b>4955.93</b>	<b>100</b>

### SEGMENT WISE PERFORMANCE:

(₹ In Crore)

Sectors	FY2023		FY2022		FY2021	
	Total Income	%	Total Income	%	Total Income	%
Foreign	411.84	4.15	480.43	6.95	582.13	11.75
Domestic	9509.36	95.85	6429.72	93.05	4373.80	88.25
<b>Total</b>	<b>9921.2</b>	<b>100</b>	<b>6910.15</b>	<b>100</b>	<b>4955.93</b>	<b>100</b>

### ORDER BOOK POSITION

Ministry of Railways had earlier changed its policy of awarding work on nomination basis to railway PSUs, the Railway works were being awarded by bidding process among railway PSUs. Later, in October 2021, the Ministry of Railways has revoked this policy of competition amongst the PSUs and open tendering has been introduced for awarding Railway works.

IRCON's order book, as on March 31, 2023, stood at ₹35195 Crore (approx.) with ₹26243 Crore value of work in Railways sector and ₹6985 Crore value of work in Highway sector.

Out of the total order book, ₹18470 Crore value of work secured through competitive bidding and ₹16725 Crore value of work secured through nomination basis.

During the year, your Company completed 02 projects in India, the details of which have been mentioned in the Directors' Report.

### RESPONSE TO COVID-19

The coronavirus (COVID-19) has created the biggest global crisis, sending shock waves through health systems, economies, and societies around the world. It continues to impact key geographies that we operate in, with almost all countries are reporting second wave of infections.

The Company is following the guidelines issued by the government for prevention of spread of COVID-19, sanitizers are available at all offices / projects of the Company, social distancing, wearing of mask etc. are also followed up. Further, the Company initiated several measures to help its employees and their families, including establishing COVID care centers, vaccination centers, and providing them access to medical care facilities.

The actual impact of COVID-19 pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

### SWOT ANALYSIS

#### Strengths

##### 1. Strong Order Book:

The company has outstanding executable order book of more than ₹35,000 crore as on 31.03.2023. This order book gives revenue visibility of more than 3-4 years, which shows great stability of the business.

##### 2. Debt Free Company:

IRCON is technically debt free company. It had borrowing of ₹615 crore as on 31.03.2023, which was actually a pass-through entry and ultimate liability lying with Ministry of Railways including interest payable. After closure of the



## MANAGEMENT DISCUSSION AND ANALYSIS

financial year the whole amount has been repaid and now company is a debt free company on standalone basis.

### 3. Sturdy Cash Position:

IRCON has cash and bank balance of ₹4785 crore as on 31.03.2023, out of which almost 18% is its own cash. The cash and bank balance of the company constitute almost 35% of the total assets, which is very rare in infrastructure sector.

### 4. Experienced Manpower:

Technical manpower is highly skilled and experienced in their respective fields. Top and middle management of the company is majorly from Ministry of Railways and has expertise on project executions.

### 5. Diversified Business Segments:

The company is working in diversified sectors such as railways, highways, electricals, renewable energy etc. This diversity in business reduces the industry risk and business cyclical risk.

### 6. Wide Geographical Presence:

IRCON has its wide presence domestically as well as internationally. Currently, the company is operating in 20 states in India and has its presence in Algeria, Sri Lanka, Myanmar, Nepal and Bangladesh.

### 7. One Stop Solution (C2C):

The company provides one stop solution to its clients. It undertakes projects from concept to commissioning.

### 8. Execution of Work:

The Company generally execute the works with its own experienced man power and plant & machinery available with the Company.

## WEAKNESSES

### 1. Inherent constraint of being a PSU:

Being a government company, it has to follow several guidelines, which are not meant for private sector companies. Private sector companies are more flexible and takes faster decision due to less stringent procedures.

### 2. Exposure to geo political risk due to geographical presence:

IRCON is working in five foreign countries, which gives it exposure to geo political conditions of that country. Further, it is also exposed to diplomatic relations with the countries its operates.

## OPPORTUNITIES

### 1. Government thrust on Infrastructure:

Government is committed to develop infrastructure and coming with various polices. There is huge potential

in infrastructure sector. Being one of the major players in infrastructure sector, there is great opportunities available in the sector.

### 2. Governments' emphasis on renewable energy:

In the recent time, we have witnessed energy scarcity. Government is encouraging green energy and coming up with various schemes. IRCON has diversified its business into growing segment of green energy with incorporation of its subsidiary company. Governments' emphasis on renewable energy gives immense opportunity to IRCON.

### 3. National Infrastructure Pipelines (NIP):

Government has launched National Infrastructure Pipeline (NIP) for FY 2019-25 to provide world-class infrastructure to citizens. The transport sector in India is expected to grow at a CAGR of 5.9 percent thereby becoming the fastest growing area of India's infrastructure sector. There are 4676 opportunities available in 9 sectors under NIP.

### 4. National Rail Plan (NRP):

Indian Railways has prepared National Railway Plan to create a 'future ready' Railway system by 2030. The NRP is aimed to formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% from 27%. Government has identified new dedicated freight corridor and high-speed corridors. The government has CAPEX plan of ₹25.02 Lakh Crore excluding Rolling Stock of ₹13.18 Lakh Crore under NRP 2021-2051.

## THREATS

### 1. Withdrawal of Government policy regarding allocation of work on nomination basis:

Earlier, the company was also securing the orders on nomination basis from the Ministry of Railways. However, recently, government has changed its policy and now IRCON has to compete with other PSUs as well as private companies to secure the orders. However, the company has been scuring many projects through competitive bidding.

### 2. High volatility in Commodity Prices:

Due to geo political reasons and war situation arisen in Russia and Ukraine, we have observed high volatility and sharp increase in commodity prices such as oil, ferrous and non-ferrous metals, cement etc. which may impact profitability of the company in the short to medium term. However, the Company takes necessary steps like incorporating the price escalation clause in contract agreement to mitigate the price fluctuation.

### 3. Expectation of Global Slowdown:

In the recent time, inflation is going up and in some of the countries it is on multi decade high. To cope up with high

## MANAGEMENT DISCUSSION AND ANALYSIS

inflation, central banks of all over the world are taking aggressive steps. In this inflationary environment, there is menace of global slowdown, which may negatively impact to infrastructure sector. However, as per IMF Report, despite of global slow down in Europe and UK, India is expected to grow. Though, IRCON is pursuing to get more international projects, most of its projects are under execution in India.

### 4. Increase in competition in the sector due to small players:

Increase in competition in a sector due to the presence of regional small players. It led cut throat price competition in the industry, which may lead margin pressure on the company. However, small players generally execute small size of projects whereas considering IRCON's expertise in niche area of tunneling, high speed, metro etc, it executes EPC contracts, thus may have least impact.

## FUTURE OUTLOOK

IRCON has a long-standing reputation as one of the industry leaders in transportation infrastructure with proven expertise in railway projects. To uphold our reputation in the industry and to get improved profit margins, we intend to capitalize our advantageous position in the market both in terms of our expertise and financial strength. As we move ahead, we plan to build on our strategy of diversifying across industry segments through new engines of growth. We endeavour to enhance our portfolio with projects in the international markets to achieve healthy profit margins offered by these projects. Although, we continue to focus on the railway sector, through portfolio diversification we aim to hedge against risks in specific areas or projects and guard the Company against market variations resulting from business concentration in particular industry sectors and limited geographical regions.

We are confident that various infrastructure initiatives decreed by the Government of India will help us in fostering our future growth. We believe that we are well positioned to execute projects under these modes due to our strong technological capabilities and sound financial position. With sound experience and solid performance, we expect to see steady growth in our business with a rise in the number of projects that we undertake and improved profitability margins from these projects, for which our strategies are as follows:

**Expanding Geographical Footprints in Domestic and International Markets:** IRCON has actively concentrated on becoming a diversified infrastructure player, both in terms of sector and geographical coverage and has extended its expertise into transportation engineering, civil and industrial construction, renewable power and

other infrastructure projects. Currently, the Company is executing the projects in twenty states domestically and five countries internationally. With the established presence in the Indian market, IRCON further intends to cover the unexplored areas within the country. IRCON believes that this will help in enhancing its portfolio with projects proposed by the Government of India would further consolidate its position in the infrastructure sector. IRCON plans to build its strategy of diversifying across industry segments through new engines of growth. Also, while it continues to focus its efforts in the railways sector, through portfolio diversification, it hopes to hedge against risks in specific areas or projects, and protect itself from market variations resulting from business concentration in particular industry sectors and / or limited geographical areas. IRCON endeavors to enhance its portfolio with projects in the international markets to achieve healthy profit margins offered by these projects. With sound expertise and solid performance, increasing experience and success, the Company expects to see a steady growth in its business with a rate of expansion comparable to or better than the best in the construction industry.

The Company aims to persist its strategy of diversifying across industry segments and increase orders from international markets to capture healthier profit margins as compared to domestic projects.

**Diversification in Renewable Energy Sector:** IRCON is exploring new emerging areas for business diversification. As part of its diversification strategy, the company has entered into renewable power sector to establish 500 Mwh solar power plant with joint venture partner. With the government thrust on renewable power sector, there are immense opportunities in this sector and company is very hopeful to do well in this sector. Renewable power sector will ensure regular revenue and will also strengthen its profitability.

**PPP Modes of Revenue Generation:** IRCON is gradually moving from generating income only through individual projects to regularly generating revenue and profits through its Subsidiaries and Joint Venture companies (JVs). The Subsidiaries and JVs of IRCON are likely to generate revenue and profits on a sustained basis because of the continued operation of existing projects and new projects. The Company's goal is to move ahead from being a construction company to a diversified company having a portfolio of BOT, DBFOT, EPC and other contracts as well as project development and operation through Subsidiaries and JVs.

**Active Focus of New Projects:** IRCON's business growth is attributed principally to an increased bidding activity to procure large projects. With the Company's long-



## MANAGEMENT DISCUSSION AND ANALYSIS

standing reputation, in-house capability and expertise, the Company bids for new projects in its niche areas of railway projects on a turnkey basis, tunnels, bridges, Dedicated Freight Corridor, Metro, High Speed Rail, Bullet Train track etc. Additionally, IRCON aims to capitalize on its advantageous position over its competitors, both in terms of proficiency and financial position to undertake large-high-quality projects driven by the growth of the Indian economy. The various initiatives promulgated by the Government of India will help in continuing the growth momentum for the Company. The Company is also endeavoring to increase its share in international market through EPC and PPP execution mode.

The Company also endeavors to formulate strategic alliances both in the domestic and foreign markets with other major private players and participate in bids aggressively to further expand its horizon of business opportunities.

**Favorable Financial Risk Profile:** IRCON's financial profile indicates positive profitability margins and comfortable liquidity position, which has contributed to its operational performance. The Company intends to sustain its positive capital structure with minimum debt to enhance its turnover and profitability.

**Sectoral Initiatives Undertaken by the Government:** Over the years, the Government of India has issued various macro-level and sectorial initiatives to improve the economy. The infrastructure sector has been one of the top-most priorities of the Government, particularly the Railway & Road sector. Union Budget of last few years also has focused its concern on infrastructure development and a large amount is reserved for capex in railway and road sectors. In the recent years, government is emphasizing to boost renewable power and we have seen considerable CAPEX in this sector. With the increased interventions of the Government to develop infrastructure, IRCON has been able to receive multiple opportunities for its business. The Company aims to capitalize on these opportunities by leveraging its established track record and diversifying its infrastructure know-how into transportation engineering, civil and industrial construction, renewable power and other infrastructure projects.

**Attract and Retain Talent Pool:** IRCON recognizes the importance of its talented employees and the role they play in the Company's success. It relies on them to operate the modern construction equipment, complete various tasks on its complex construction projects, and deliver quality performance to its clients on a demanding timeline. With an efficient human resource system, IRCON continues to focus on improving health, safety, and environment for its employees. It intends to

further strengthen its workforce through regular on-job skill development and training programs. Additionally, IRCON aims to provide a congenial and safe working atmosphere to its women employees. In addition to these efforts, IRCON also intends to maintain a relatively low employee attrition rate and retain more of its skilled workers for its future expansion. This is done by providing better overall benefit packages and a safer and healthier working environment.

### STRATEGIC MOUs AND ALLIANCES

Your Company from time to time enters into various strategic MOU to explore new business opportunities. In the FY 2022-23, IRCON entered into a JV with **Cochin Port Authority** for bidding for a proposed Harbour in a neighbouring country. Cochin Port Authority is a Corporate body under Major Ports Authority Act 2021 under Ministry of Ports, Shipping and Waterways.

**Project Models:** There are several high-value projects expected in the Highway sector on EPC, DBFOT, HAM and Annuity basis. IRCON has founded nine wholly-owned subsidiaries last year as SPVs for the execution of projects on BOT, DBFOT, and HAM basis and hold a strategic share in joint venture companies formed for coal connectivity projects in three states of India. The Company is geared up to undertake turnkey projects under several project execution models including EPC, HAM and Annuity basis.

**Technological Advancements:** The Company adopts advanced technology and construction methodology that ensure edge over competitors. It further improves operational efficiency, establishes credibility, enhances order book value and drive customer satisfaction. Furthermore, IRCON aims to accordingly train its employees to get familiar with trending technologies and is also exploring infrastructure projects that require the latest technology.

With the vision to venture in a new business area, IRCON participated in a bid for the development of a proposed harbour in a neighbouring country of India, for integrated facility to cater for docking/berthing facilities along with repair facilities for boats/vessels. The facilities broadly include a Berthing wharf (300m), Break water of about 1700 m, Slipway of 500T capacity with transfer bay, Repair work shops, Administrative Building/Maritime School, Storage shed, Helipad, Residential blocks for officers, Medical Inspection Room, Sports facilities along with other utilities.

### RISK MANAGEMENT

IRCON acknowledges that operating in the construction sector exposes the Company to inherent uncertainties and risks. The volatility of this sector introduces various

## MANAGEMENT DISCUSSION AND ANALYSIS

external and internal risks that can impact both the financial and non-financial outcomes. Recognizing the importance of an integrated approach to risk management, IRCON has established a comprehensive Enterprise Risk Management (ERM) framework.

IRCON has had a Risk Management System in place since 2007, with the Risk Management Policy (RMP) initially formulated in 2013. Over time, the RMP has been amended to align with the changing business environment and regulatory requirements. The latest revision of the RMP was approved by the Board in December 2021, with the aim of fostering a higher level of risk awareness across the organization, encouraging broader participation, and cultivating a sustainable risk-aware culture.

In accordance with the ERM framework and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, IRCON has established a Board Level Risk Management Committee (RMC). This committee reports to the Board providing insights into risk elements and mitigation plans, among other responsibilities.

The RMC's primary functions include identifying key risk-bearing activities, assessing the gaps in risk potential compared to best business practices, identifying deficiencies in current business processes that may leave potential threats uncovered, establishing risk assessment control systems, reviewing risk assessment reports compiled by the Rapid Action Group (RAG), providing directions for improvements, and ensuring IRCON's preparedness for potential risks. The RMC is also responsible for formulating and reviewing the RMP, including the framework for identifying internal and external risks specific to the company, developing measures for risk mitigation and internal control systems, and monitoring implementation.

To ensure effective implementation of the Risk Management Policy, IRCON has established a Rapid Action Group at the Executive Director and Chief General Manager levels, along with business groups and internal audit teams. The Risk Management Policy, Risk Management Processes, and MIS report formats, including reports on Risk Management, have been developed in accordance with the ERM framework. Reports from the Rapid Action Group are submitted to the RMC for review. In line with the updated Risk Management Policy, the identification of critical risks, monitoring, review, mitigation plans, and corrective actions are now carried out through an Online Web-Based Risk Management IT Tool, which is reviewed by the RMC via the RAG for the Organizational Risk Repository.

In the Indian context, IRCON faces significant challenges in project execution, such as the non-availability of encumbrance-free land and delays in obtaining approvals for drawings and estimates. These factors pose risks of

time and cost overruns, which are often uncompensated by the client. Additionally, the Company faces uncertainties in predicting project revenues, as they can vary due to various factors.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A well-designed and consistently enforced system of operational and financial control plays a crucial role in protecting the Company's resources, ensuring the reliability of financial reports, and ensuring compliance with laws and regulations. It also helps in minimizing the possibility of significant errors and irregularities and facilitates their timely detection when they occur. IRCON has implemented an internal control mechanism and an Internal Audit Function that are appropriate for its size and business nature, aimed at enhancing operational efficiency and ensuring compliance with applicable laws, rules, and regulations. The Company has established policies and guidelines that optimize the delegation of authority to facilitate business processes.

To further strengthen the internal control system, the following measures have been implemented:

#### Internal Financial Control (IFC)

The Company maintains adequate Internal Control over Financial Reporting (ICFR) in accordance with the provisions of the Companies Act, 2013, which are effectively implemented. The controls are designed to ensure proper maintenance of accounting records, orderly conduct of business operations in accordance with company policies, protection of assets, prevention and detection of fraud and errors, and reliability of financial and operational information.

The internal financial control system, including ICFR, undergoes periodic reviews to ensure its alignment with evolving business needs. Any necessary changes are implemented to enhance its effectiveness. The management provides transparent disclosure of all financial information required for a comprehensive understanding of the Company's financial position and operations.

#### Internal Audit

The Company appoints experienced professional firms for conducting the Internal Audit of the Company and frequency of the Internal Audit is linked with the turnover and percentage of completion of each project.

The Company has developed and approved its own Internal Audit Framework, which outlines the scope of the audits. This framework covers various aspects, including financial accounting, financial reporting, tender and allied matters, project execution, procurement, subcontracting,



## MANAGEMENT DISCUSSION AND ANALYSIS

statutory compliance, and more. Both the management and the Audit Committee periodically review the internal control and audit systems, taking corrective action as needed to ensure continuous improvement.

Furthermore, IRCON has an organizational chart in place, along with a system for delegation of power that is regularly updated. The Company also has a structured Fraud Prevention, Detection, and Control Policy (FPDC Policy) and a Whistleblower Policy, both approved by the Board of Directors. These policies provide a mechanism for making confidential e-complaints and help maintain a culture of integrity within the organization.

### QUALITY, SAFETY, HEALTH AND ENVIRONMENT STANDARDS

IRCON is an ISO certified Company for Quality, Environment and Occupational Health & Safety Management Systems. The Company has implemented a Quality Management System in accordance with ISO 9001:2015. It has also implemented an Environmental Management System in accordance with ISO 14001:2015 and Occupational Health and Safety Management System in accordance with ISO 45001:2018.

### QUALITY

IRCON is a pioneer Public Sector Organization in adopting the Quality Management System Certification in the domestic as well as International Markets. Quality Management System (QMS) has been successfully sustained and continually improved since 1996 when the Company as a whole was first certified for ISO 9002:1994 by TUV SUD Private Limited. We have continued the certification and sustained the system as per the latest version of Quality Management Standards, i.e. ISO 9001:2015 (by periodical re-certification audit after the expiry of every three years). Latest re-certification audit was conducted in September 2022, whereby the Company has been re-certified by TUV SUD South Asia Private Limited for a period of another three years, i.e. up to March 2026.

To overcome the COVID-19 impacts, IRCON adopted the latest technologies & digital solutions for the containment of COVID-19 & emerged as the Quality centric organization by ensuring the needs & expectations of their customers.

In view of COVID-19 pandemic, the Company continued the initiative of sharing technical knowledge by adopting digital platform (i.e. Google Meet, Microsoft Teams etc.) on the topics like Load Test using Crown Anchor Reaction Method, EV2 Test procedures & interpretation, Cost Saving High Rise Retaining Walls, Application of Geosynthetics, Digital Management Techniques using Laser Scan, Geo Composite Cementitious Matt BIM

Solutions, Water Proofing solutions and many more technical as well as technological solutions prevailing in the core competence of the organization i.e. railways, highways, tunneling & other infrastructure projects.

In addition to this, new initiative for attracting the participation from each & every employee within the organization, conducted the quality circle meeting with project professionals for ensuring better product delivery as well as quality. RACI matrix has been defined & implemented at our project sites for maintaining the Quality of Works. Standardization of Project Procedure Manual (PPM) along with the material testing plan and formats have been made available on the internal website of the Company for knowledge sharing and helping the projects to prepare the required documents at project levels. Despite of the complex & diversified nature of projects, IRCON initiative for the standardization of quality procedures are the way forward towards attaining the complete integration within the organizational framework.

The Company nominates Quality Officers for major Indian projects to monitor QMS at their respective projects, and the same is also incorporated in General Conditions of Contract (GCC) of the Company for implementation of Quality Management Standards by the Contractor while carrying out the work.

Corporate Quality Council and Project Quality Council meetings are being conducted at Corporate Office and at projects site to review the implementation of Quality Management System (QMS). The Quality objectives are being measured and reviewed both at the Corporate Office and at the Project levels. Internal Quality Audit, as well as Quality Assurance Audit, were conducted in coordination with the project and Corporate Office. Reports of these audits provide not only details of non-conformities encountered during the audit but also the salient features of the project, including progress, positive points if any and areas requiring improvements.

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Company established an Occupational Health & Safety Management System and was certified for ISO 45001:2004 in October, 2011. The latest surveillance audit for ISO 45001:2018 was conducted in August 2022, whereby the Company has been re-certified for another two years, i.e. up to December, 2024.

During COVID-19 Pandemic, the Company follows the Precautionary measure/ Guideline issued by the Government from time to time. Also taking fast initiative to prevent the spread of COVID-19 in work space by implementing monitoring equipment like thermal

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scanners, Arogyasetu app, automatic sanitization machine, paper disinfection machines etc. The Company has also initiated a vigilant vaccination drive for their employees and other stakeholders for maintaining the highest standards of Occupational Health and Safety.

The Company nominates SHE Officers for major Indian projects to monitor SHE compliance of the statutory laws at their respective projects, and the same is also incorporated in General Conditions of Contract (GCC) of the Company for implementation of SHE Management Standards by the Contractor while carrying out the work. In addition to this, document like Safety and Environmental checklists are also provided at IRCON intranet.

### ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The Company established an Environment Management System (EMS) and was certified for ISO 14001:2004 in October 2011. The latest re-certification audit for ISO 14001:2015 was conducted in November 2022 whereby the Company has been re-certified for another three years, i.e. up to February 2026.

The Company nominates Environment Officers for major Indian projects to monitor EMS and compliance of the environmental laws at their respective projects and the same is also incorporated in General Conditions of Contract (GCC) of the Company for implementation of Environmental Management Standards by the Contractor while carrying out the work. Environmental checklists have been developed and maintained by all projects. Further, environmentally friendly equipment such as solar panels have been installed and are being installed at various offices/projects. Wastewater is recycled at Corporate Office through Sewage Treatment Plant (STP), and the same is used for horticulture work. STPs are also being constructed at IRCONs buildings at Noida and Gurugram.

To conserve electricity and water, LED lights, sensor lights and sensor taps are used in Corporate Offices. Moreover, various environment-friendly steps are taken up across offices/projects of the Company, such as use of fly ash brick instead of clay brick, rainwater harvesting arrangements, sensor-controlled Chromium Plate (CP) fittings, and use of the latest version of facade glass (glass in the building) to make the building sustainable. At construction sites, regular monitoring of water usage and wastewater, ambient air quality and noise quality are being carried out.

Being the environment friendly organization, IRCON actively participates in the national & international events (i.e. world environment day) through competitions & display of banners in order to inculcate the awareness

towards the protection of environment among its stakeholders.

IRCON received an award for Outstanding Achievements in Environment Protection in August, 2022 from Greentech Foundation.

### HUMAN RESOURCES

IRCON recognizes that its employees are fundamental to its success and are instrumental in upholding the organization's values and culture. The Company is committed to achieving its organizational goals by investing in the development of its human resources, ensuring that they possess the necessary skills and competencies to effectively contribute to the Company's business objectives. IRCON's efforts in human resources development are in line with industry standards, ensuring that its workforce remains equipped with the required knowledge and expertise. The Company places great importance on fostering a positive workplace environment and consistently works towards maintaining it. IRCON strives to create a motivating and satisfying atmosphere where employees are encouraged to make valuable contributions to the company's growth and success.

The Company takes pride in its highly motivated and competent human resource and its contribution. The total employee strength of our company stood at 1341 as on March 31, 2023 which included 933 regular employees, 35 employees on deputation, 302 on contractual, 67 consultants / advisors and 04 on fixed tenure basis.

The attrition rate during FY 2022-23 stood at 9.06% in comparison to 6.84% during last year.

### EMPLOYEE PRODUCTIVITY

There has been a steady growth in the employee productivity over the past 5 years. The total income of the Company for FY2022-23 is ₹10262 Crore. The overall income per employee for FY 2022-23 stood at ₹7.65 Crore as compared to ₹5.62 Crore in FY2021-22.

### Recruitment

To maintain its competitive edge, the Company is committed to attracting and onboarding top talent at all levels. This is achieved through various means, including recruiting fresh graduate engineers, professionals, and management trainees. The Company also brings in experienced personnel from the open market, through deputation or absorption from other government departments and railways, as well as by hiring retired staff and utilizing third-party payroll services. The Company follows best recruitment practices to ensure equal opportunities and a harmonious working environment



## MANAGEMENT DISCUSSION AND ANALYSIS

for the advancement of employees from diverse backgrounds, including SC, ST, OBC, minorities, and women. These policies reflect the inclusive and forward-thinking mindset of the management, with a strong emphasis on being an "Equal Opportunity Employer". The Company continuously reviews and refines its recruitment strategies to align them with its broader goals and objectives.

During FY 2022-23, 69 employees were recruited on a full-time basis while 188 were recruited on contractual basis including service contract, as a policy of inclusive employment, 119 of those inducted belong to the SC/ ST/ OBC/EWS category. The Company has also implemented EWS reservation with 14 EWS category employees being inducted. A selection process for tenure-based appointments has also been initiated. In addition to the open market recruitment, campus recruitment was also done from premier institutes like ICAI and ICMAI.

### Deputation

To meet its continuous need for trained and experienced manpower, especially in view of project requirements, experienced and trained manpower is inducted from Indian Railways and other Government departments on deputation on a fixed tenure basis. During the year, 9 personnel were inducted on deputation, bringing the total manpower on deputation to 35.

### Training and Development

IRCON is moving towards a competency-based framework with the aim of building competency pool of the employees at all levels. As an outcome of competency mapping, individual development plans are prepared for senior and middle-level management. Based on this, training needs are identified and customised training programs are conducted.

Considering the Training and Development as a high focus area, employees are being trained in various domains such as Contract Management, Arbitration, Project Management, Managerial Effectiveness, Negotiations, Business Development and Strategy, Risk Management etc. During the year, 816 man-days of training was imparted, which covered around 437 employees, which included Training Programme on usage of GEM Portal & E-Procurement, Project Quality Council, Gender Equality and Women Empowerment, Management Development Programme, Workshop on RTI Act, Conference on use of Smart Contract in public Procurement & Supply Chain, virtual Training Programmes and many other behavioral, technical, non-technical internal and external training, seminars, workshops were imparted. Strengthening our human capital is, therefore, core to our operations. IRCON runs multiple initiatives to help employees grow in their careers. Progressive policies such as a mentoring

and skill development programmes for junior employees, and special leadership development programs for senior employees, have gone toward making the workplace more employee-friendly.

### Career Progression

The Company's promotion policy is well-established and proven effective over time. It ensures that deserving employees have ample opportunities for career advancement and facilitates succession planning. Promotions are based on merit, suitability, performance, and professional accomplishments that align with the organization's business requirements. In the Departmental Promotion Committee (DPC) of 2021, a total of 135 promotions were granted in the executive category, while 09 promotions were awarded in the non-executive category.

### Performance Management System

The Company has implemented an IT-enabled Performance Management System that is linked with a Performance Related Pay (PRP) system. This PRP system effectively captures various aspects of employee performance, including company performance, team performance, and individual contributions towards achieving the Company's annual objectives. The emphasis on team performance promotes a collaborative and cohesive work environment, where employees are motivated to work together synergistically to achieve team objectives. This approach facilitates the attainment of the Company's long-term goals, such as maintaining minimum wages and other benefits.

Furthermore, the Company has incorporated additional benefits in its policies to support employee well-being. These include provisions for personal healthcare, such as regular medical check-ups and reimbursement of prolonged treatment expenses. The availability of Allopathic, Homeopathic doctors, and alternative therapy options is also provided. Additionally, recreational activities such as gym facilities and the provision of free tea/coffee through vending machines contribute to employee satisfaction and merit recognition.

### Use of Information Technology Tools

To maintain business continuity and enable the staff to work from home, the IT Department has taken a leap forward to keeping records in digitized format and implementing e-office for day-to-day operations. HR functions such as Employee Records, Leave Records, Performance Management System (PMS), Annual Property Returns, Employee Engagement, etc. have been put in an e-format, thereby reducing paper use, bringing transparency and efficiency, and improving quality. The policies and programmes are communicated to

## MANAGEMENT DISCUSSION AND ANALYSIS

employees through the Employee Self-Service portal and various social media modes.

### Motivation, Awards and Recognition

To recognize the exceptional performance, periodic awards and recognition are given to employees. The meritorious employee delivering the exceptional performance in a financial year is awarded with CMD Award. In addition, various individual and group awards are given to employees for their exceptional performance during the year.

### Employee Welfare

During the employment, employees are provided with generous perks, allowances, and facilities, encompassing both monetary and non-monetary benefits. These include transportation assistance, housing options, leased accommodation, subsidized food, and medical facilities. The Company's main objective is to enhance the quality of life for its employees, and as such, it has implemented various schemes to improve their overall welfare.

In addition to statutory benefits such as Maternity & Adoption Leave, First Aid Facility, and payment of scholarship cash awards for education and higher education of employees' wards, the Company offers several Employee Assistance Programs. These programs encompass training, advances, a house lease policy to provide better living conditions, and support for employees suffering from prolonged illnesses or terminal diseases. Periodic gifts, such as superannuation gifts, marriage gifts, birthday gifts, diwali gifts, and Annual Day gifts, are granted to foster a sense of belongingness among employees and create a positive work environment.

The Company provides liberal superannuation benefits, including Provident Fund, Gratuity, Pension, and Post-Retirement Medical Scheme, which serve as retention tools and offer social security to employees. Funeral expenses are provided in case of unfortunate employee or dependent death, and ex-gratia payments are made to the dependent family members in the event of an employee's death or permanent disablement. To provide additional social security, the Company has taken insurance coverage for employees, including personal accident insurance policies, term plans, and savings-linked insurance. This ensures financial protection for unforeseen circumstances.

Furthermore, a 24X7 helpline service has been established to support employees in case of any emergencies. Dedicated mobile numbers are available based on geographical areas to provide immediate assistance when needed.

### Women Development

The Company has implemented best practices to

ensure equal opportunities and a harmonious working environment for the growth and advancement of women employees. Various programs on gender issues, sexual harassment, and conducive working conditions are conducted to address these concerns. Women employees are provided with opportunities to participate in meetings, project work, and committees, promoting equal opportunity without gender bias. The management has always been at the forefront of adopting practices that create an environment where women feel empowered, confident, and able to make decisions. To ensure a safe and secure working atmosphere for women employees, a committee for the Prevention of Sexual Harassment at the Workplace (POSH) has been established. This committee aims to provide a supportive framework and address any instances of sexual harassment.

### Grievance Redressal

To promptly address and resolve employee grievance fairly and equitably grievance redressal system is present in the Company wherein employee can submit their grievance to appropriate authority for redressal. In addition, online grievances can be made to the Ministry of Railways through the Centralized Public Grievance Redress & Monitoring System (CPGRAMS) portal.

### Whistle Blower Policy

IRCON has a separate and well-structured Vigilance Department, which deals with frauds or suspected malpractices involving employees, contractors, suppliers, consultants, service providers or those doing business with the Company. Besides, a whistle blower and fraud prevention policy are also in place to monitor unethical activities.

## CONTRIBUTION TO GOVT. OF INDIA INITIATIVES

The Company has always been proactively supporting initiatives of the Government of India such as Skill India, Swachh Bharat Mission, Start-up India, Make in India, including MSMEs, Digital India, promotion of Solar Eco-system by formulating its business or governance objectives in line with the government plans.

## PROMOTING MSMEs

Being a CPSE, the Company's procurement policy and practices are guided by the Government policies and practices, including CVC Guidelines. These are based on transparent procurement mechanism, which also promotes procurement from local and small producers and suppliers. IRCON is procuring goods and services as per Public Procurement Policy, 2012 from MSEs. Accordingly, purchase preference is given to those small producers quoting their price within the price



## MANAGEMENT DISCUSSION AND ANALYSIS

band as prescribed by the Company. The Company has also adopted fair, equitable and transparent tendering procedures to encourage Indian bidders and suppliers. Furthermore, Vendor Development Programme for MSEs is also organised by the Company to bring more awareness among MSEs and increase their participation.

During the FY 2022-23, the Company has procured items valuing ₹44.52 Crore from MSE vendors against expenditure valuing ₹102.39 Crore (excluding the procurement of items which are beyond the scope of MSEs) towards material, stores & service, thereby achieving 43.48% procurement from MSEs in compliance with the Procurement Policy. The Company has conducted one national level Special Vendor Development Program at the Corporate Office, Delhi on December 16, 2022.

The Company has been extensively following the guidelines of Government on procurement through Government e-Marketplace (GeM) and provisions are also made in tenders to promote "Make in India" directives of the Government of India. Tenders valuing upto ₹200 Crore were invited during FY 2022-23 using national competitive bidding in compliance to Public Procurement (Preference to make in India), Order 2017.

### CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be forward-

looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of the Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including among others, changes in the general economic and business conditions affecting the segment in which the Company operates, changes in business strategy, changes in interest rates, inflation, deflation, foreign exchange rates, competition in the industry, changes in Governmental Regulations, tax laws and other Statutes & other incidental factors. The Company does not undertake any obligation to update any forward-looking statements publicly, whether as a result of new information, future events or otherwise.

For and on behalf of the Board of Director

Sd/-  
**(Brijesh Kumar Gupta)**  
Chairman & Managing Director (L/A) & CEO  
(DIN:10092756)

Date: August 11, 2023  
Place: New Delhi

# BOARD'S REPORT

To the Members,

The Board of Directors of your Company takes pride in presenting the 47<sup>th</sup> Annual Report of your company for the financial year ended March 31, 2023. This report provides a comprehensive overview of the Company's performance, including a summary of financial results and key highlights concerning the financial performance for the period ending on March 31, 2023.

## FINANCIAL RESULTS

(₹ in crore)

PARTICULARS	STANDALONE			CONSOLIDATED		
	FY 2022-23	FY 2021-22	%age CHANGE	FY 2022-23	FY 2021-22	%age CHANGE
Total Income / Turnover	10262	7181	42.90	10750	7586	41.71
Total Operating Income / Turnover	9921	6910	43.57	10368	7380	40.49
EBIDTA	924	641	44.15	1117	846	32.03
Profit Before Tax	883	610	44.75	891	689	29.32
Profit After Tax	777	544	42.83	765	592	29.22
Net Worth	5178	4621	12.05	5225	4667	11.96
<b>Appropriations</b>						
Dividend (Final & Interim)*	282.15	235.13	20.00	-	-	-
Earnings per share (in ₹) (Face value of ₹2 each)	8.26	5.79	42.66	8.14	6.3	29.21

Notes: \* Includes proposed final dividend [subject to the approval of shareholders at the ensuing Annual General Meeting (AGM)].

### FINANCIAL HIGHLIGHTS

We are delighted to announce that your Company has achieved highest ever total income of ₹10,262 Crore during FY 2022-23, compared to ₹7,181 Crore in FY 2021-22, representing a remarkable increase of approximately 42.90%.

Furthermore, the operating turnover of the Company for FY 2022-23 has a significant rise of 43.57%, reaching ₹9,921 Crore, compared to ₹6,910 Crore in FY 2021-22. This growth can be attributed to a healthy order book and efficient execution of projects.

In terms of profitability, the Profit Before Tax (PBT) for FY 2022-23 reached ₹883 Crore, an impressive increase of 44.75% compared to ₹610 Crore in FY 2021-22. Similarly, the Profit After Tax (PAT) has shown substantial growth, reaching ₹777 Crore in FY 2022-23, a growth of 42.83% from ₹544 Crore in FY 2021-22.

The Net Worth of your company has increased from ₹4,621 Crore in FY 2021-22 to ₹5,178 Crore in FY 2022-23. Additionally, the earnings per share as of March 31, 2023, stood at ₹8.26 per share, compared to ₹5.79 per share as of March 31, 2022 on a face value of ₹2 per equity share.

### DIVIDEND

The Company's primary focus is on enhancing shareholder value. The Company has a consistent track record of paying dividends since its inception. In FY 2022-23, the Board of Directors declared and disbursed an interim dividend of ₹1.80 per equity share of a face value of ₹2/- per share. This amounted to approximately ₹169.29 Crore, (calculated at 90% of the paid-up share capital of ₹188.10 Crore). The interim dividend was declared based on the Company's unaudited financial results for the quarter ending December 2022.

Furthermore, the Board has recommended a final dividend



## BOARD'S REPORT

of ₹1.20 per equity share on the face value of ₹2/- each, totaling ₹112.86 Crore (60% of the paid-up share capital of ₹188.10 Crore). This final dividend is subject to approval from the shareholders at the ensuing AGM and is based on the Company's profits for FY 2022-23.

Considering these dividends, the total dividend for FY 2022-23 would amount to approximately ₹282.15 Crore (150% of the paid-up equity share capital of ₹188.10 Crore). This represents 36.31% of the post-tax profits for FY 2022-23 and 5.45% of the net worth of the Company as of March 31, 2023. Upon approval and payment of the proposed final dividend, the cumulative dividend paid to shareholders until FY 2022-23 will stand approximately ₹2,656.62 Crore.

The declaration of dividends aligns with the Dividend Distribution Policy, which complies with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR Regulations**), as amended, and the guidelines on "Capital Restructuring of Central Public Sector Enterprises."

### SHARE CAPITAL

As on March 31, 2023, the paid-up equity share capital of the Company stood at ₹188.10 Crore comprising of 94,05,15,740 equity shares of face value of ₹2/- each. The shareholding of the Promoter of the Company i.e. the President of India stood at 73.18% of the total paid-up equity share capital of the Company, as on March 31, 2023. IRCON is compliant on the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

Based on the market price of Ircon International Limited (IRCON) as on March 31, 2023, it is placed in the top 500 listed companies. As on March 31, 2023, the market capitalization of your Company stood at ₹5266.89 Crore.

### DEMATERIALISATION OF SHARES

All the shares, except only 5407 shares as on March 31, 2023 and 2407 shares as on June 30, 2023 in physical form, are held in dematerialised form and the details of the dematerialisation of shares are provided in the Corporate Governance Report.

### TRANSFER TO RETAINED EARNINGS

Appropriations to retained earnings for the financial year ended March 31, 2023 were ₹494.85 Crore after considering the total dividend of ₹282.15 Crore.

### CAPEX AND LIQUIDITY

During the year, the Company on a standalone basis spent a sum of ₹448.96 Crore on capital projects across domestic and foreign projects; which includes ₹10.56 Crore towards

construction of a building; ₹9.52 Crore for acquiring Plant & Machinery; ₹5.49 Crore for acquiring other assets; and ₹423.39 Crore towards investments in SPVs.

The Company's liquidity position remains strong at ₹4785.32 Crore as on March 31, 2023, comprising of ₹2168.41 Crore in cash and cash equivalent and ₹2616.91 Crore in other bank balances. Out of ₹4785.32 Crore, client/ project funds amount to ₹3942.09 Crore.

The Company has also invested ₹423.39 Crore in the equity / quasi-equity of its subsidiaries and joint venture companies during the FY 2022-23, which stood at ₹1912.4 Crore as on March 31, 2023.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned a foreign exchange of ₹19080 Crore cumulatively till date. During FY 2022-23, the Company has earned a foreign exchange of ₹432.99 Crore as compared to ₹521.26 Crore in FY 2021-22. The foreign exchange outgo stood at ₹406.83 Crore during FY 2022-23 as compared to ₹467.10 Crore during FY 2021-22. Thus, the net foreign exchange earnings amount to ₹26.16 Crore in FY 2022-23.

### IRCON GROUP PERFORMANCE

During the year under review, IRCON along with its subsidiaries ('the Group') on a consolidated basis has recorded highest ever total turnover of ₹10750 Crore (previous year: ₹7586 Crore). The Group has registered a quantum jump of 40.49% in operating turnover to ₹10368 Crore (previous year ₹7380 Crore). The Group reported a consolidated profit before tax of ₹891 Crore (previous year ₹689 Crore) and profit after tax of ₹765 Crore (previous year: ₹592 Crore), both registering increase of 29.31% and 29.22%, respectively.

The Group EBITDA was ₹1117 Crore (previous year: ₹846 Crore), an increase of 32.03% over the previous year.

During the FY 2022-23, in terms of the financial performance, the Company has achieved and crossed the Turnover targets criteria of ₹8875 Crore (on Consolidated basis) set up by the Ministry of Railways in terms of the Memorandum of Understanding based on the DPE guidelines.

### IMPACT OF COVID-19

The Company is continuously monitoring the material changes to future economic conditions.

The Company has initiated several measures to help its employees and their families, including establishing COVID care centers, vaccination centers, and providing them access to medical care facilities. The Company has also taken various initiatives towards implementation of all precautionary measures to deal with the pandemic.

## BOARD'S REPORT

During the FY 2022-23 the Company had made a contribution of ₹1.53 Crore towards Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There are no material changes or commitments affecting the financial position of the Company during and after the close of the financial year up to the date of the report.

### FINANCIAL STATEMENTS (STANDALONE AND CONSOLIDATED)

The Board of Directors of the Company has, at its meeting held on May 24, 2023, had approved the Financial Statements for FY 2022-23 (Standalone and Consolidated).

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements **a)** as per line-by-line method for its wholly-owned subsidiaries viz. Ircon Infrastructure & Services Limited (IrconISL), Ircon PB Tollway Limited (IrconPBTL), Ircon Shivpuri Guna Tollway Limited (IrconSGTL), Ircon Davanagere Haveri Highway Limited (IrconDHHL), Ircon Vadodara Kim Expressway Limited (IrconVKEL), Ircon Gurgaon Rewari Highway Limited (IrconGRHL), Ircon Akoli-Shirsad Expressway Limited (IrconASEL), Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL), Ircon Bhoj Morbe Expressway Limited (IrconBMEL), & Ircon Haridwar Bypass Limited (IrconHBL) and subsidiary company viz. Ircon Renewable Power Limited (IRPL); and **b)** as per equity method, for seven joint venture companies viz. Ircon-Soma Tollway Private Limited (ISTPL), Indian Railway Stations Development Corporation Limited (IRSDC) [not on a going concern basis], Chhattisgarh East Railway Limited (CERL), Chhattisgarh East-West Railway Limited (CEWRL), Jharkhand Central Railway Limited (JCRL), Mahanadi Coal Railway Limited (MCRL) & Bastar Railway Private Limited (BRPL). The accounts of unincorporated joint ventures have been included in the standalone financial statements for the FY 2022-23.

Pursuant to letter dated October 18, 2021 of Ministry of Railway, the closure of business and transfer / hand over of business /assets of IRSDC is under process. Accordingly, as part of the closure activities, all assets and liabilities of IRSDC [other than its investment in its subsidiary companies viz., Gandhi Nagar Railway and Urban Development Corporation (GARUD) and Surat Integrated Transportation Development Corporation Limited (SITCO)] are to be transferred to Rail Land Development Authority (RLDA)/ MoR on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the BoD meeting of IRSDC. Closure related activities

initiated in FY 2021-22 are yet to be completed. The liquidation process shall commence on completion of these activities and handing over of assets and liabilities to RLDA/ MoR. Financial statement of IRSDC has been prepared on liquidation basis. The Company does not foresee any impairment in the value of its investment as the Company's share in the reported Net Worth of IRSDC is ₹58.50 Crore i.e.26% of ₹225 Crore vis-a-vis our shareholding of ₹52 Crore.

The Company would make available its audited financial statements (standalone and consolidated) for the FY 2022-23 and financial statements of its eleven subsidiaries (IrconISL, IrconPBTL, IrconSGTL, IrconDHHL, IrconVKEL, IrconGRHL, IrconASEL, IrconLRHL, IrconBMEL, IrconHBL & IRPL) at its website ([www.ircon.org](http://www.ircon.org)).

Further, a statement containing the salient features of the financial statements of eleven subsidiaries and seven joint venture companies in Form AOC-1 is attached to the Financial Statements.

Considering the COVID-19 pandemic and the challenges associated with dispatching physical copies of financial statements, including the Notice of AGM, Board's Report, Auditor's Report, and other related documents, the Ministry of Corporate Affairs (**MCA**) and Securities and Exchange Board of India (**SEBI**) have issued guidelines. Accordingly, such statements & documents can be sent exclusively via e-mail to members who have registered their email addresses with the company or with the depository participant/depository, as well as to other eligible persons. These relaxations have been extended until September 30, 2023, as per circulars dated December 28, 2022 and January 5, 2023 issued by MCA and SEBI respectively.

Taking into account these relaxations and as part of our commitment to environmental sustainability, the Notice of AGM and Annual Report will be electronically delivered to shareholders who have already registered their email addresses with the respective depository participants. These documents will be accessible on the Company's website and will also be provided to the stock exchanges, namely BSE Limited (**BSE**) and National Stock Exchange of India Limited (**NSE**).

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (**MDA**) Report, as mandated by Regulation 34 read with Schedule-V to the LODR Regulations and DPE Guidelines, has been included as an annexure to this report. It is hereby incorporated by reference and serves as an integral component of this report. The MDA Report provides a comprehensive review of various aspects including the global and Indian economy, industry analysis, future outlook, Company overview, legal status and autonomy, business divisions/



## BOARD'S REPORT

units, financial and operational performance, projects executed during FY 2022-23, upcoming projects, strengths, scope and opportunities, key concerns, business strategies, risk management, adequacy of internal control systems, and significant developments in human resources.

### EXTERNAL ENVIRONMENT

#### MACROECONOMIC CONDITIONS

International Monetary Fund (IMF) in its World Economic Outlook (April 2023), predicted global growth of 2.8% in 2023, with a slight improvement to 3.0% in 2024. Despite of global headwinds, India's economy is expected to grow at a faster pace than the global average and it is expected to grow at 5.9% in 2023 and 6.3% in 2024. The slowdown is concentrated in advanced economies, especially the euro area and the United Kingdom.

Global headline inflation is set to fall from 8.7% in 2022 to 7.0% in 2023 on the back of lower commodity prices, but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases. Once inflation rates are back to targets, deeper structural drivers will likely reduce interest rates toward their pre-pandemic levels.

India's GDP growth for FY 2023-24 anticipated by the RBI is 6.5% in its monetary policy (April 2023). However the key concern on the growth front in the immediate future is the drag caused by the weak external demand conditions and the impact of any adverse weather conditions on Indian agriculture provides additional downside risk to the growth trajectory.

#### INFRASTRUCTURE & CONSTRUCTION INDUSTRY – GOVERNMENT INITIATIVES & INDUSTRY OUTLOOK

Infrastructure plays a huge role in propelling other industries and India's overall development. The government, therefore, focuses on the development of infrastructure and construction services through focused policies such as open FDI norms, large budget allocation to the infrastructure sector, smart cities mission, etc. PM launches Gati Shakti Master Plan to integrate different modes of transportation and increase the speed of infrastructure development in India.

The construction Industry in India is expected to reach \$1.4 Tn by 2025. Under National Infrastructure Pipeline (NIP), India has an investment budget of \$1.4 Tn on infrastructure 24% on renewable energy, 18% on roads & highways, 17% on urban infrastructure, and 12% on railways. Government thrust for developing 35 Multimodal Logistics Parks (MMLPs) at a total capital cost of \$ 6.1 Bn,

will cater to 50% of the freight movement and further boost infrastructure development in the country.

Indian Railways have prepared a National Rail Plan (NRP) for India – 2030 to create a 'future ready' Railway system by 2030. The NRP is aimed to formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45%. The objective of the Plan is to create capacity ahead of demand, which in turn would also cater to future growth in demand right up to 2050 and also increase the modal share of Railways to 45% in freight traffic and to continue to sustain it.

The government announced 5,000 km of Metro rail network by 2047 in 100 cities. One Station One Product scheme aims to provide opportunities for enhanced livelihood through skill development through provision of sale outlets at railway stations across India. Station redevelopment project will boost the passenger experience, generate new employment opportunities and have a multiplier effect on India's economy. Taking cognizance of its significance in overall infrastructural development, the NIP envisages the investment in Indian Railways worth ₹11.43 lakh crore (US\$ 138 billion) till FY 2024-25.

With the objective to bring down logistics costs below the national average by 2028 to make exports globally competitive, the Government has made a plan of ₹100 lakh crore investment in infrastructure with some mega projects such as the doubling of railway lines, their widening, dedicated freight corridors from Mumbai to Delhi and Amritsar to Kolkata besides 11 other industrial corridors.

Vision 2024 has been envisaged to achieve targets of 2024 MT freight loading by 2024. Government is working towards the development of a national highway network of 2 lakh kilometers by 2025. Indian Railways has planned to install 1000 MW of solar power plants and about 200 MW of wind plants by 2022-23. Out of this, about 204.82 MW (101.42 MW solar and 103.4MW wind power) renewable power has already been set up.

In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP. A network of 35 Multimodal Logistics Parks is planned to be developed as part of Bharatmala Pariyojana, with a total investment of about ₹46,000 crore (US\$ 5.5 billion), which once operational, shall be able to handle around 700 million metric tonnes of cargo. Of this, MMLPs at 15 prioritized locations will be developed with a total investment of about ₹22,000 crore (US\$ 2.6 billion).

A capital outlay of ₹2.40 lakh crore (US\$ 29 billion) has

## BOARD'S REPORT

been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013- 14. 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be taken up on priority with investment of ₹75,000 crore (US\$ 9 billion), including ₹15,000 crore (US\$ 1.8 billion) from private sources. 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.

A total length of 24,800 kms in road projects have been proposed to be constructed with an estimated outlay of ₹5.35 trillion (US\$ 74.15 billion) under Bharatmala Pariyojana Phase-I. NHAI will consider only those projects that require minimal land acquisition worth ₹3 trillion (US\$ 42.92 billion) under Bharatmala Pariyojana scheme. A total of 65,000 kms of roads and highways are to be constructed under Bharatmala Pariyojana. In 2023-24, NHAI is allocated ₹1.62 lakh crore (US\$ 20 billion), all of which is budgetary support.

In Budget 2023-24, the Government of India has allocated ₹2.7 lakh Crore (US\$ 33 billion) to the Ministry of Road Transport and Highways. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25. The government also aims to construct 23 new national highways by 2025.

These budget allocations are aimed at improving existing infrastructure, building new projects, and addressing the infrastructure gaps across the country.

### ORDER BOOK

In the industry that the Company pertains to, an order book is considered an indicator of future performance since it represents a portion of anticipated future revenue. The Company caters to both domestic as well as international markets and receives orders both on competitive bidding as well as through nomination by the Ministry of Railways. Ministry of Railways have made a significant change in their policy on allotting the projects to PSUs, and have ended the system of competitive bidding amongst the eligible PSUs, and introduced competitive bidding for execution of railway works.

The order book as on March 31, 2023, is ₹35195 Crore as compared to ₹43758 Crore as on March 31, 2022. The major new orders are from railway electrification, highway project, metro track works, workshops, airports and renewable energy; also civil and track work in prestigious High Speed Railway Project. The order book as on June 30, 2023 stood at ₹ 32,486 Crore.

### DOMESTIC PROJECTS

Since incorporation, the Company has diversified into

various infrastructure sectors and is now an established player in the field of railway and highway construction. Moreover, it has diversified in many other areas such as power transmission lines, sub-stations industrial complex, bridge and flyovers, tunnels, electrical and mechanical work, signaling and telecom, production units, station building, multi-function complex, and construction of commercial, residential complexes, and airports. The diversification of project portfolio across various sectors has helped the company in de-risking its construction business and reduce our dependence on any sector or type of project.

In the coming future, IRCON shall continue to pursue projects of High-Speed Rail, National Capital Region Transport Corporation (NCRTC), National Highways Authority of India (NHAI), Indian Railways and other important and high value projects in India.

During the FY 2022-23, your Company was awarded the projects in India viz., establishment of Railway Sidings along with Railway Station contiguous to Mine Lease Boundary of Gere Pelma Sector-III Coal Mine, PMC services for Signaling & Telecommunication system; and development of Rail Infrastructure for proposed 02 nos. RLS (20 MTY) for Ananta OCP of Jagannath Area, at Talcher. IRCON has also been engaged for Central Public Sector Undertaking (CPSUs) for development of New Industrial Estates in Union Territory of Jammu and Kashmir.

During FY 2022-23 the following two projects have included in the completed projects category. With this, IRCON has completed more than 400 completed domestic projects.

- Construction of Eight lane Vadodara Kim Expressway from Km. 323.000 to 355.000 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase – VI on Hybrid Annuity Mode (Phase IA-Package II).
- ECR – Doubling between Hazipur – Bachwara with electrification project (72km) including planning, design and construction of all service and residential buildings, circulating area, parking, platforms, subways, shelters and other allied structures of all stations, including Electrical, Signal & Telecommunication works and any other works.

### ONGOING PROJECTS:

A list of ongoing major projects in India is given at **Appendix-A**.

In FY 22-23, the focus of your Company has been execution, faster deliveries and meeting stringent timelines for overall optimal contribution to the much needed infrastructure growth. This is in line with the vision of our Hon'ble Prime Minister and Hon'ble Minister of Railways. During the FY 2022-23 following were some



## BOARD'S REPORT

of the achievements of on-going major projects in India:

1. Udhampur Srinagar Baramulla Rail Link Project (USBRL) in J&K (cost plus contract awarded by Northern Railways having revised estimated cost of ₹13557.47 Crore): Milestone of 23.4 Km of tunnel lining has been completed in the FY 2022-23 and a total of 94.162 km length [Comprising Main Tunnel (MT) + Escape Tunnel (ET) & Cross Passage (CP)] has been completed in the section between Katra to Banihal. Further, breakthrough of 13.18 Km of MT and 32.34 Km of ET were also achieved. Project has also achieved its highest ever expenditure booking of about ₹2899.40 Crores. The execution of project is in advanced stage and is targeted for commissioning in FY 2023-24.
2. Sivok Rangpo New BG Rail Line Project (cost plus contract awarded by Northeast Frontier Railways having revised estimated cost of ₹8248 Crore): Total Tunnel Mining and Lining completed in the FY 22-23 is 11.60Km & 2.28Km respectively. Mining in six tunnels have been completed. Milestone of second breakthrough of Tunnel T-5 achieved on 18.06.2022, third breakthrough of Tunnel T-9 on 19.10.2022, fourth breakthrough of Tunnel T-2 (896 m.) on 23.11.2022, Fifth breakthrough of Tunnel T-12 (1404 m.) on 24.12.2022, sixth breakthrough of Tunnel T-11 (3232 m.) on 23.01.2023 and longest Adit tunnel of this project i.e. Adit-1 (1144m) of Tunnel T-10 on 19<sup>th</sup> Feb, 2023. Work is in progress in all the 14 tunnels, 13 major bridges and 4 yards. Overall progress of project is 50%. The project is of strategic importance with future connectivity to Gangtok and thereafter to Indo-China border (Nathula pass) and has a vital role in meeting the defense requirements.
3. Dedicated Freight Corridor Project (Vaitarana - Sachin Section of Western Dedicated Freight Corridor Phase-2), Civil, Building and Track Works, Package -CTP-12: EPC Contract awarded by Dedicated Freight Corridor Corporation of India Limited (DFCCIL): Revised estimated cost of work shall be ₹3353 Cr. Works completed and trial run done in Sachin - Gholvad section, 110 Route km out of 186 Rkm. Balance works in Gholvad - Vaitarana section are progressing well.
4. Rampur Dumra-Tal-Rajendrapul (cost plus project awarded by East Central Railway having revised estimated cost of ₹1701 Crore) : The Project comprises Design & construction of Main Bridge having total length of 1874m with 17 spans, Rail Viaduct of 3.2km, 2 nos. ROBs, 3 nos. RORs, one RUB, Embankment of around 11.3 km, 8 nos. Minor bridges and track linking works including electrification. Casting of 15 and sinking of 11 out of 18 wells, one abutment and seven pier cap have been cast. Erection of 6 nos. open web girder also launched. Formation

- work on north side along with flood protection works have been completed and on south side of river 25.98 lac cubic meter against the scope of 28.36 lac cubic meter earth work is completed. Seven out of eight minor bridge, one RUB and substructure for two ROBs also completed. Piling works on the all 3 RORs completed and pile cap casting is in progress (50% works completed). All the structural steel for important bridge, ROBs and RORs procured. Work on 3.6 Km long via duct is also progressing well and till date 927 nos. of piles out of 1000 nos., 61 pier caps and 12 pier shaft out of 101 nos. piers have been completed. The balance work is progressing well.
5. Katni-Singrauli Doubling Project (cost plus project awarded by Western Central Railways having revised estimated cost of ₹2445 Crore) : Total 78.29 Km sections was commissioned during FY 2022-23. During FY 2023-24, total 49.21 Km has been targeted. CRS (Commissioner of Railway Safety inspection) has inspected 19.13 Km section of Mahroi - Vijaysota on 27.06.2023. Another section of 30.11 Km is planned in December 2023 and 7.51 Km during FY 2024-25, total 180.5 Km out of 257 Km has been commissioned so far.
  6. Katni-Singrauli Doubling Project (Railway Electrification Work): Railway electrification work commissioned in Katni-Singrauli Doubling project during FY 2022-23 is 78 RKM. Total 180.5 Km electrification completed with doubling.
  7. Kiul-Gaya Doubling Project (cost plus project awarded by East Central Railways having revised estimated cost of ₹1200 Crore) : CRS inspection (Commissioner of Railway Safety inspection) of Wazirganj-Tilaiya section (18.01 Km) was conducted on 02.09.2022 and the section was commissioned at a permissible speed of 100 kmph; and, the entire Lakhisarai -Sheikhpura section (25.32 Km) was commissioned with 100 kmph on 21.02.2023. Total 61.48 Km has been commissioned so far. Rest 61.64 Km has been planned during FY 2023-24. During FY 2023-24, 1.405 Km of Kashichak yard commissioned on 31.05.2023.
  8. Sports Complex at Gholsapur, Behala Stadium, Eastern Railway Kolkata (the revised estimate of ₹80.82 Cr.): An international standard fully air-conditioned multi-purpose Indoor Stadium with state-of-the-art facilities at Behala was inaugurated on May 30, 2022.
  9. NCRTC Project (Revised Estimated Cost of ₹723 Crore): IRCON has secured the prestigious ADB (Asian Development Bank) funded OHE & Power Supply Work of Delhi-Ghaziabad-Meerut RRTS Corridor of NCRTC through International Competitive Bidding. It

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marks a significant milestone as the first-ever semi-high-speed Rapid Rail Project in India to achieve the design speed of 180kmph and operation speed of 160kmph.

### Major achievements are as follows:

- Introducing Spring type ATD of 3000 kgf tension, Glass Fibre Tension Insulator at insulated overlap, Retractable Catenary System, which have been used for the first time in India for design speed of 180 kmph;
- Commissioning of 220 kV, 33 kV & 25 kV Gas Insulated Sub-stations (GIS), which are compact in size, low in maintenance and reduce the requirement of space;
- Commissioning of overhead equipment (OHE) of priority section of the project from Sahibabad to Duhai including Duhai Depot, covering a distance of 17 RKM, in record time;
- Delivering results by initiating the trial run on 5th January '23;
- Commissioning of 2 nos. of 220kV Receiving Sub Stations (Ghaziabad RSS & Murad Nagar RSS), associated 220 kV EHV Cabling from GSS to RSS and 5 nos. of 33 kV Auxiliary Sub Stations (ASS);
- Civil works at the RSS locations have been executed in compliance to achieve highest rating of IGBC;
- Achieved ISO 45001:2018 (Occupational Health & Safety Management System) and ISO 14001:2015 (Environmental Management System) certification for NCRTC Project;

### INTERNATIONAL PROJECTS

In FY 2022-23, the contribution of international projects to the total revenue amounted to ₹411.84 Crore, which accounted for 4.15% of the operating turnover. This is in comparison to ₹480.43 Crore in FY 2021-22, representing 6.95% of the operating turnover. Regarding PBIT, the contribution from foreign projects reached ₹100.41 Crore, indicating an increase of 96.67% compared to ₹51.03 Crore in the previous year.

The Company continues to actively participate in new projects in foreign countries, and has one ongoing project each in Bangladesh, Algeria, Sri Lanka, Nepal and Myanmar. By continuing to diversify its business and geographical focus, the Company strives to secure a broader range of projects to maximize business volume and profit margins. Efforts are being made to secure foreign projects through Line of Credit/ other project export funding arrangements of EXIM Bank of India and projects funded through Multilateral funding agencies.

During the year 2022-23, your Company has secured the order of Procurement of Design, Installation, Testing, Commissioning and Certifying of Signaling and Telecommunication System from Maho Junction (Including) to Anuradhapura (Excluding) in Sri Lanka under Indian Line of Credit.

### ONGOING PROJECTS

The Company is executing the following projects in foreign countries:

#### i. Bangladesh

##### (a) Khulna-Mongla Port Rail Line project

The Company secured a project in Bangladesh for construction of Khulna-Mongla Port Rail Line for Bangladesh Railway, at US\$ 147.78 million (equivalent to approx. ₹911 Crore) and after approval of VO-2 at cost of US\$ 185.73 million. The project includes construction of embankment, tracks, all civil works, major and minor bridges (except Rupsha Bridge), culverts and implementation of EMP against Package WD1. Additional scope of work was added in 2021. The completion tenure is extended upto September 2023, along with the additional scope of work including rehabilitation of 5 major bridges and 16 nos. of culverts and pending approval for variation VO-3.

##### (b) Agartala (India)-Akhaura project (Bangladesh portion)

The Company has also signed a contract for providing Technical Advisory Services (TAS) for Construction of New Railway Line from Agartala (India) -Akhaura (Bangladesh) and Project Management Consultancy (PMC) for Construction in Bangladesh Portion with Ministry of External Affairs (MEA), Government of India. The construction contractor for the project is appointed by Bangladesh Railways and contract value is BDT 240.9 Crore (equivalent to approx. ₹209.47 Crore). The completion period of the construction contractor was extended up to June 30 2023, however the trial run of loco is planned by 22.08.2023. The overall progress of the project is approximately 88.24 %.

#### ii. Algeria

The project was awarded by ANESRIF, the National Agency for the Planning and Implementation of Railway Investments, Ministry of Transport, Government of Algeria, at a value of Algerian Dinar 1,628 Crore (equivalent to approx. ₹1,003 Crore) with completion date on November 2012. The project involves the construction of the second line and upgradation of an existing line, with a diversion of 10 km from Oued sly to Yellel in Algiers-Oran section



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of Algerian Railways. The value of the contract, including additional works for the construction of the double line, has been revised to Algerian Dinar 3,268 Crore (equivalent to approx. ₹2,342 Crore).

The project is likely to be completed in December 2023, as per the revised scope of work.

The work of 82 km new track line has been made operational in spite of the cash flow problems of ANESRIF which is hampering progress, particularly the structural works awarded to sub-contractors. Work on the existing line has also started and a total stretch of 71.5 km out of 74 km of the existing line, 6 out of 7 station buildings are ready to be handed over, and 8 major bridges have also been completed with the assurance of timely payments. The client has assured uninterrupted payments, which will improve the progress of work and is expected to get completed by December 2023.

### iii. Sri Lanka

#### (a) Upgradation of Railway Line from Maho Omanthai under Indian Line of Credit – Track Rehabilitation and ancillary works.

In Sri Lanka, the Company secured a project for Upgradation of Railway Line from Maho Omanthai under Indian Line of Credit – Track Rehabilitation and ancillary works. The project is awarded by Sri Lankan Railways under the Ministry of Transport and Civil Aviation, Government of Sri Lanka at a value of US\$ 91.27 Million (equivalent to approx. ₹637.22 Crore) through competitive bidding.

Scope of work is rehabilitation of existing single line Broad Gauge track from Maho-Omanthai of around 128 km length in Two Phases under Traffic Block of 5 Months and 6 Months. The project was awarded on 29th April 2019 with completion period of 36 months (starting from date of receipt of advance payment, 29th Nov, 2019). The project is financed through EXIM Bank of India as per Indian line of credit. The date of completion of the project as per the contract is November 28, 2022. The project is delayed due to CoVid-19 pandemic restrictions and subsequent economic and fuel crisis in Sri Lanka.

The first phase of the Mega Traffic Block from Anuradhapura and Vavuniya (48.5KM) has been commissioned in July, 2023.

Further, granting 2<sup>nd</sup> Phase Traffic Block for rehabilitation of the remaining section from Maho to Anuradhapura (65 KM) is under discussion and not yet concluded. Likely date of completion of the Project will be June 30, 2024.

The overall progress of the project is approx. 62%.

#### (b) Procurement of design, installation. Testing, commissioning, and certifying of Signaling and Telecommunication system from Maho Junction (Including) to Anuradhapura (Excluding) under Indian Line of Credit:

Your Company also secured a project for "Procurement of design, installation, Testing, commissioning, and certifying of Signaling and Telecommunication system from Maho Junction (Including) to Anuradhapura (Excluding) under Indian Line of Credit".

The project was awarded on December 04, 2022 by Sri Lankan Railways under the Ministry of Transport and Civil Aviation, Government of Sri Lanka at a value of US\$ 14.90 Million (equivalent to approx. ₹121.25 Crore) through competitive bidding. Completion period is 12 Months from the date of receipt of mobilization advance.

The project is financed through EXIM Bank of India under Indian line of credit. Contract Agreement is not yet signed due to prevailing economic conditions in Sri Lanka. As such, the project is yet to start.

### iv. Nepal

In Nepal, the Company is executing the following two projects:

#### (a) Construction of BG line between Jogbani (India)-Biratnagar (Nepal) on Indo-Nepal border

The project involves construction of new BG rail line from Bathnaha (India), Ch. 0.00 Km to Biratnagar (Nepal), Ch. Km 18.60. The proposed alignment in Indian portion (5.45 Km) falls in Araria district of Bihar State under Katihar Division of North East Frontier Railways and on the Nepal side (13.15 Km), in Morang district.

The revised value of contract of ₹401.65 Crore is under approval of the Ministry of External Affairs.

The section from Bathnaha (India) Ch. 0.00 Km to Nepal Custom Yard (Nepal) Ch. 6.70 Km has been completed and ready for commissioning. The work is in progress in the remaining portion. Progress is hampering due to obstructions being created by local land owners.

The overall progress of the project is approximately 86%.

#### (b) Construction of BG Line by Gauge conversion Jayanagar (India) – Bijalpura (Nepal) with extension upto Bardibas on India Nepal Border

The Project involves construction of a new BG rail line from Jayanagar (India), Ch. 0.00 Km to Bijalpura (Nepal) Km.52.336 with extension up to Bardibas,

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Ch. Km 68.72. The proposed alignment in the Indian portion (2.975 Km) falls in Madhubani district of Bihar State and on the Nepal side (65.745 Km) in Mahottari district.

The revised estimate of ₹783.83 Crore is under approval of the Ministry of External Affairs.

Your Company on behalf of the Government of India has handed over the newly commissioned cross border rail section (Section-1) from Jayanagar (Km. 0.00) to Kurtha (Km. 34.90) to Government of Nepal on October 22, 2021 which was inaugurated through virtual mode by the Hon'ble Prime Minister of India and the Hon'ble Prime Minister of Nepal on April 02, 2022. The first phase of 34.9 Km Jaynagar (India) – Kurtha (Nepal) section is part of 68.72 Km Jaynagar-Bijalpura-Bardibas rail link being built under Government of India grant assistance of NPR 8.77 billion.

Section-2 from Km 34.900 to km 52.34, Kurtha-Bijalpura has also been completed. In Section-3 from Km 52.34 to Km 68.72, Bijalpura-Bardibas land has not yet been acquired by the Government of Nepal. The overall progress of the project is approximately 73%.

### v. Myanmar

During FY 2022-23, the Company has secured a project in Myanmar, for Balance work of Construction of Road from Paletwa (Myanmar) to Zorinpui (Mizoram) (Kaladan Road Project) under Kaladan Multi-Modal Transit Transport Project (KMMTT Project), from the Ministry of External Affairs, on EPC mode at a lump sum cost of ₹1780 Crore. With this project, it is intended to open up an alternate route to North-East Region and connect Mizoram with Chin State of Myanmar at Zorinpui. The agreement for the execution of this project has been signed on March 07, 2022 and the project is to be completed within 40 months from the date of the signing of the agreement.

At present, in 50 Km stretch, work has commenced in 40 Km from Paletwa end (Myanmar) & 10 Km from Zorinpui end (India-Myanmar Border). Work in the remaining 50.90 Km stretch is expected to start after Oct'2023 once the monsoon season is over.

### REAL ESTATE SECTOR

IRCON has identified Real Estate Sector as one of the sectors for diversification, keeping in view the tremendous potential in this Sector. Your Company had acquired 8 plots in different sectors, on leasehold basis for 90 years, at NOIDA and has successfully Leased out 22,023 Sq. mt. of built – up space for Commercial and Office use. The Company has also developed property

in Sector 32, Gurugram, Haryana and this property is registered with the trademark authorities in India as 'IRCON INTERNATIONAL TOWER'. About 2079Sq. mt. carpet Area of this property has been Leased Out to government agencies and balance available space is in the process of leasing out.

IRCON Retail Mall at Sector – 43, NOIDA, Uttar Pradesh and Commercial cum Office Building at Sector -48, NOIDA, Uttar Pradesh has been leased out completely.

The Company had entered into a Memorandum of Understanding (MOU) on March 26, 2018, with the Rail Land Development Authority (RLDA) for transfer of leasehold rights to IRCON for commercial development on the land parcel measuring 4.3 (four points three) Hectare at Bandra East, Mumbai, Maharashtra, for 99 years against the payment of Upfront Lease Premium. Since MoU has expired and the work being unable to commence on account of non-finalization of agreement between Mumbai Metropolitan Region Development Authority (MMRDA) and RLDA / MoR, the land has been returned back to RLDA and consultancy contracts for commercial development of the plot have also been novated to RLDA.

### COMPANIES, JOINT VENTURE COMPANIES AND ASSOCIATE COMPANIES

A brief background on the eleven subsidiary companies and seven joint ventures companies of IRCON along with their financials and performance is given at **Appendix-B**.

In terms of the Company's Policy on the determining the "Material Subsidiary" and Regulation 24A of the LODR Regulations, for the financial year ending March 31, 2023, none of the subsidiary company is a 'material subsidiary' i.e. whose total income or net worth exceeds 10% of consolidated income or net worth of IRCON in the immediately preceding financial year i.e. March 31, 2022.

### COMPLIANCES OF PRESIDENTIAL DIRECTIVES

Presidential directives as issued from time to time on various matters like reservation policy for reserved category persons, SC/ST roster in the employment, revision in pay scale 2017 etc. have been complied with.

### OFFICIAL LANGUAGE

The Company is undertaking various novel and encouraging initiatives for extensive use of Hindi in the office. Some of them are:

- Pledge by all employees to work in Hindi completely on last Monday of every month.
- Rajbhasha Sanghoshi is being conducted on a quarterly basis in Corporate Office.
- Birthday wishes to employees, a thought and a word, contributed by different departments on rotational



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basis, a poem by renowned poets etc. are being displayed in Hindi at the reception.

- d. Thought of the day and a word in Hindi is displayed at reception, which is contributed by departments daily on rotation basis.

Every third month a meeting is conducted by Hindi Department with any one department in the Corporate Office in order to resolve issues faced in working in Hindi. In addition, regular quarterly meetings of Official Language Implementation Committee and quarterly workshops for effective use of the UNICODE system and official language are being conducted. Employees are being encouraged through various incentive schemes for the implementation of the Annual Programme of the Official Language Department. The bilingual facility has been introduced for computer systems and mobile phones used by officials of the Company. Bilingual formats have been made available at IRCON's internal website for use by the employees.

### COMPLIANCE OF RIGHT TO INFORMATION ACT, 2005

In accordance with the provisions of the Right to Information Act, 2005, IRCON has ensured the availability of updated information, including the names of the Appellate Authority, Central Public Information Officer, Assistant Public Information Officer, and State Level Public Information Officers on our website. We have promptly responded to the queries received within the specified time frame. These queries primarily pertained to service matters, recruitments, finance, contracts, corporate social responsibility (CSR), and projects. The details of RTI cases have been regularly published on the website of the Central Information Commission (CIC) on a quarterly and annual basis. Additionally, a copy of the same is forwarded to the Ministry of Railways for information.

During the year 2022-23, 204 applications and 38 first appeals were received and at the beginning of the year 01 application was under process for disposal within the allowable time limit (i.e., total 205 applications and 38 appeals during the year). Out of which, 193 applications (including opening balance of 1 application) and 38 First Appeals were disposed of. As on March 31, 2023 12 applications and 02 appeals were under process for disposal within the allowable time limit.

### COMPLIANCE OF IMPLEMENTATION OF PUBLIC PROCUREMENT POLICIES FOR MSEs AND PREFERENCE TO MAKE IN INDIA.

The Company has in place a comprehensive Purchase Preference Policy since June 2012 which is in line with the Public Procurement Policy for Micro and Small Enterprises

(MSEs) Order, 2012 notified by the Ministry of Micro, Small and Medium Enterprises (Ministry of MSME) under section 11 of Micro, Small and Medium Enterprises Development Act, 2006. IRCON uses Central Public Procurement portal (CPPP) and Government e-Marketplace (GeM) portal for its procurement, which provides facilitation of registration of MSEs firms registered with any statutory bodies specified by Ministry of MSME.

The Company has always encouraged local suppliers to participate in its tendering process and also promote them through training and hand holding programs. Our continued pursuit in this direction has seen improved participation of small local players and socio-economic development of communities in and around operational locations.

IRCON has taken several steps for effective implementation of MSE policy. The benefits of waiver of cost of tender documents and deposit of earnest money and purchase preference prescribed under the Policy, are incorporated in the tenders for procurement of goods and services.

The company has been extensively following the guidelines of Government on procurement through GeM and provisions are also made in tenders to promote "Make in India" directives of the Government of India. Tenders valuing upto ₹200 Crore were invited during FY 2022-23 using national competitive bidding in compliance to Public Procurement (Preference to make in India), Order 2017.

During the FY 2022-23, the Company has procured items valuing ₹44.52 Crore from MSE vendors against expenditure valuing ₹102.39 Crore (excluding the procurement of items which are beyond the scope of MSEs) towards material, stores & service, thereby achieving 43.48% procurement from MSEs in compliance with the Procurement Policy. The Company has conducted one national level Special Vendor Development Program at the Corporate Office, Delhi on December 16, 2022.

In compliance with the Micro, Small and Medium Enterprise Development Act, 2006, the Company has on-boarded on the Trade Receivables Discounting System (TReDS) platform, w.e.f. January 25, 2018, to facilitate the financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date. A clause in General Conditions of Contract is incorporated for MSEs vendors willing to avail the facility.

### HUMAN RESOURCE DEVELOPMENT

IRCON recognizes that its employees are fundamental to its success and play a crucial role in safeguarding the organization's values and culture. The organization firmly believes that its achievements rely on the alignment and

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performance of its workforce, as well as maintaining a positive work environment. It is committed to establishing a collaborative, inclusive, and performance-driven atmosphere that fosters learning, growth, and overall employee well-being.

IRCON's Human Resource (HR) Philosophy revolves around empowering and nurturing employees, allowing them to reach their full potential, encouraging innovative ideas, and providing rewards based on performance. The company's work culture is characterized by openness and dynamism, empowering employees to take initiative in their roles with full support from top management.

At IRCON, the Human Resource Management (HRM) team is dedicated to recruiting, retaining, and developing the right people. They continuously strive to create an optimal work environment that is inclusive, open, diverse, and provides equal opportunities for all employees. The company has aligned its HR strategy, systems, and procedures with its business objectives, focusing on building competencies necessary for organizational success. This strategy serves as a motivating force for employees, bridging the gap between the company's future needs and individual aspirations.

IRCON maintains a performance-oriented culture where the contributions of every employee are measured and appropriately recognized. The Company has implemented a robust Performance Management System (PMS) that aligns with its philosophy of rewarding and acknowledging merit at all levels. This system supports the professional development of executives through a structured approach integrated into the company's performance appraisal process. IRCON takes pride in its highly motivated and competent human resources and acknowledges their significant contributions.

### MANPOWER STRENGTH

The total manpower strength of IRCON as on March 31, 2023, stood at 1341, (previous year 1278) which included 933 regular employees, 35 employees on deputation, 369 on contract (including service contract) and 04 on fixed tenure basis. Out of the total 1341 employees of the Company, 1284 are posted on Indian projects and 57 on international projects. Among 1341 employees, 900 are technically and professionally qualified. There was a total of 65 women employees as on March 31, 2023.

The overall income per employee for FY 2022-23 stood at ₹7.65 Crore as compare to ₹5.62 Crore in FY 2021-22.

During the year, the total newly employed personnel stood at 266 which included 69 regular employees, 9 employees on deputation, and 188 on contract (including service contract).

### RESERVATION IN EMPLOYMENT

The Company continues to give utmost importance to the implementation of the policies and directives of the Government of India in matters relating to reservations in the employment of candidates belonging to Scheduled Caste (SC) / Scheduled Tribe (ST) / other backward classes (OBC) and differently-abled categories. There was a total of 521 SC / ST / OBC and differently-abled employees as on March 31, 2023.

Further, during the FY 2022-23, out of the 66 employees inducted against regular posts, 29 belong to SC / ST / OBC and differently-abled categories. Similarly, out of the 164 employees recruited against the contractual positions, 84 belong to SC / ST / OBC and differently-abled categories.

During the FY 2022-23, training has been given to 437 employees, out of which 171 belong to SC/ST/OBC and differently-abled categories. To ensure the welfare of these employee categories, the Company has appointed Liaison Officers.

The infrastructure of the Company is well built catering to the needs of differently-abled employees.

### TRAINING AND HUMAN RESOURCE DEVELOPMENT

IRCON puts a lot of emphasis on development and career progression of employees. Training programs are organised throughout the year. During the FY 2022-23, in-house training programmes across all levels of employees were organised. Professional programmes, workshops, and seminars organised by reputed and prestigious institutes / agencies were carefully identified in line with business needs of IRCON, and suitable officers were nominated for such programmes.

The Company has been continuously taking steps for building capacity of its human resource through training in functional and general management areas, contract and arbitration, leadership, information technology, as well as soft skills. External faculty is arranged wherever required, and officials are nominated for carrying out workshops and seminars with reputed institutes. Employee Development has always been a priority for the Company, and various training and development plans have been initiated from time to time. During the FY -2022-23 a total 816 man-days training was imparted to officials of IRCON through workshops, seminars, conferences, in-house training and training in external institutes.

### EMPLOYEE WELFARE

The Company has adequate and robust schemes in place for the welfare of the employees. These are health cover, medical scheme, post-retirement medical scheme, post-retirement pension scheme, periodic health check-ups



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at regular intervals, allowances, self-lease for residential accommodation, educational scholarships to the wards of employees, a one-time educational grant for admission to professional degrees and diploma courses, educational awards to meritorious children of employees, educational assistance to the wards of deceased employees, assistance for marriage of daughters and dependent sisters of employees in non-executive categories, and resort facilities for employees and their family members on concessional rates through Dalmia and Sterling Resorts.

### DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is dedicated to creating a supportive and secure working environment for its women employees. The Company has implemented a comprehensive policy for the Prevention, Prohibition, and Redressal of Sexual Harassment at the Workplace, which applies to all employees, including regular employees, deputationists, temporary workers, ad-hoc employees, contract workers, daily wage workers, and individuals employed through agencies or contractors. This policy, along with its details, can be accessed on the Company's website. Furthermore, this policy extends to wholly-owned subsidiary companies of IRCON that are formed as Special Purpose Vehicles.

Your Company has ensured compliance with the provisions concerning the formation of the Internal Committee (IC) as mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. The IC comprises five members, including four Company officials and one external member from an NGO. Additionally, provisions related to the prohibition of sexual harassment have been incorporated into the IRCON's Conduct, Disciplinary, and Appeal Rules. At the beginning of the year, no complaint was pending. During the year, one complaint of sexual harassment was received and it was appropriately addressed within the stipulated time frame. As of the end of the year, no complaint was pending.

### CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Your Company is deeply committed to addressing social, ethical, and environmental concerns within the areas where it operates. We strive to contribute to the development of a sustainable society for future generations while meeting the expectations of our stakeholders. Throughout the years, IRCON has identified various Corporate Social Responsibility (CSR) concerns and implemented actions and initiatives that have had a positive impact on society and the environment. Our CSR activities cover a wide range of areas, including health, education, employment and skill development,

environmental sustainability, clean water and sanitation, sports, culture and heritage, rural transformation, and contributions to the PM CARES Fund.

To guide our CSR efforts, we have the Corporate Social Responsibility & Sustainability Policy (CSR Policy) in alignment with our Company's vision. This policy lays down guidelines and mechanisms that the Company must adhere to when carrying out CSR projects. In accordance with the guidelines issued by the Department of Public Enterprises (DPE) through their Office Memorandum dated December 10, 2018, along with the update on May 12, 2021, CPSEs (Central Public Sector Enterprises) are required to follow a theme-based approach for their CSR activities. The Company allocates a minimum of 60% of their annual CSR budget for thematic programs and give preference to the Aspirational districts in their CSR initiatives. For the fiscal year 2022-23, the common theme chosen by DPE for CSR activities of CPSEs is "Health & Nutrition." By adhering to these guidelines and embracing the chosen theme, we are actively working towards making a positive difference in society and contributing to the well-being of our communities.

During the past year, our company took a focused approach to conceive and implement CSR activities with the aim of generating maximum impact for the target beneficiaries. These initiatives were carried out in collaboration with reputable implementing agencies. In the fiscal year 2022-23, the actual expenditure on CSR activities amounted to ₹10.12 Crore, surpassing the allocated budget of ₹10.10 Crore. Within this budget, a significant portion was dedicated to the health sector, including a contribution of ₹1.53 Crore to the PM CARES Fund.

The CSR Policy, which provides comprehensive guidelines for conducting CSR activities, is available on our Company's website: [www.ircon.org](http://www.ircon.org). Furthermore, the Annual Report on CSR & Sustainability activities, in compliance with Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is appended to this report, forming an integral part of it.

### QUALITY, HEALTH AND SAFETY

#### QUALITY MANAGEMENT SYSTEM

IRCON is a precursor Public Sector Organization in adopting the Quality Management System Certification in the domestic as well as International Markets. Quality Management System (QMS) has been successfully sustained and continually improved since 1996 when the Company as a whole was first certified for ISO 9002:1994 by TUV SUD Private Limited. IRCON has continued the certification and sustained the system as per the

## BOARD'S REPORT

latest version of Quality Management Standards, i.e. ISO 9001:2015 (by periodical re-certification audit after the expiry of every three years). Latest re-certification audit was conducted in September, 2022, whereby the Company has been re-certified by TUV SUD South Asia Private Limited for a period of another three years, i.e. up to March 2026.

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Company established an Occupational Health & Safety Management System and was certified for ISO 45001:2004 in October, 2011. The latest surveillance audit for ISO 45001:2018 was conducted in August 2022, whereby the Company has been re-certified for another two years, i.e. up to December, 2024.

### ENVIRONMENT MANAGEMENT

The Company established an Environment Management System (EMS) and was certified for ISO 14001:2004 in October 2011. The latest re-certification audit for ISO 14001:2015 was conducted in November 2022 whereby the Company has been re-certified for another three years, i.e. up to February 2026.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND UPGRADATION

IRCON is conscious of the limited nature of conventional sources and the importance of using energy resources wisely. The Company has been consistently laying emphasis on utilizing energy efficient equipment in its office premises and in various projects so as to minimally effect on the ecology and environment. Towards conservation of energy, IRCON has taken following steps during previous years:

- IRCON has installed a total of 90 kW Roof Top Grid Connected Solar Power Plant at Corporate Office which is a step to conserve energy and contributing to environment through usage of Green Energy. Total energy produced by Solar Power plant is 44,853 units of kWh which is 3.1% of the energy being drawn from BSES. IRCON has also installed a total of 75 kW Roof Top Grid Connected Solar Power Plant at its Gurgaon office building.
- Capacitor banks have been installed at Corporate Office building to improve power factor, which further reduces the Electrical Energy consumption.
- The internal lighting of Corporate Office building by energy-efficient LED lamps also adds in an energy saving of approx. 3,00,000 units of kWh per annum when compared with normal lights.
- Automatic / Dynamic Reactive Power Factor (APF) correction / compensation panels of Insulated

Gate Bipolar Transistors (IGBT) technology of 10.7 MVAR capacity have been designed and are being installed at the Receiving Substations (RSS) for Delhi-Ghaziabad-Meerut RRTS corridor of NCRTC project for RSS Energy Conservation. Moreover, the RSS Control Room Building is also constructed with highest rating of Indian Green Building Council (IGBC) standards to conserve energy.

- IRCON has also installed LED Lights for energy conservation which reduces energy consumption by upto 50% in various projects like Loco Shed at Bondamunda, Staff Quarters at Mathura-Kasganj-Kalyanpur RE Project, Katni-Singrauli RE Project, etc. and are also planned to be installed at USBRL E&M Tunnel Project.
- Capacitor Banks of 2400 kVAR capacity each have also been installed at Baramulla, Qazigund & Budgam TSS (J&K) for USBRL RE project and 04 Nos. Traction Sub-Stations (TSS) of Katni-Singrauli Project to improve the power factor. Further, Capacitor Banks of 5500 kVAR capacity each have been installed in Lalkuan & Kashipur TSS of Moradabad-Kashipur RE Project of Izzatnagar division. More than 34,750 units of electricity on a daily basis will be conserved on installing capacitor banks once electric trains are in operation. Moreover, for Tunnel Substations a total of 16 MVAR capacitor banks are being installed to regulate the reactive power generation due to jet fans, thereby reducing energy consumption.

### STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:

The Company is utilising the following as an alternate source of energy:

- IRCON is also providing the features similar to the Green Buildings Constructions' at Corporate Office, Gurugram building and its project offices, thereby reducing the environmental impacts on water, materials, waste, energy and carbon emission. IRCON has installed solar panels at various offices/projects; and LED lights, sensor lights & sensor taps are also being used in the Corporate & other offices to conserve electricity.
- IRCON has also installed Solar Power Photovoltaic Panels for its office Complex in Sangaldan (J&K) with a capacity of 110 kWp.

### CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

IRCON has planned to invest ₹4.2 Cr. approximately for replacing the existing Heating, Ventilation & Air Condition (HVAC) System at Corporate office with new technology Energy Efficient Inverter Type Air Conditioning System which will reduce the energy consumption by 20-30%.



## BOARD'S REPORT

Further, the old refrigerant of R-22 shall be replaced by the new technology refrigerant R-410A which is environment friendly and reduces the carbon emissions helpful in sustainable development.

### TECHNOLOGY ABSORPTION AND UPGRADATION EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

Towards technology upgradation, the Company had purchased a New Track Construction (NTC) machine in 2019 for Dedicated Freight Corridor Project, CTP-12 (DFC project), which is successfully commissioned to improve productivity, safety, efficiency and quality in track laying at DFC Project.

Your Company has secured a project for construction of Mumbai-Ahmedabad High Speed Railway (MAHSR) Project on December 24, 2021, which has been designated as the first High Speed Railway networks planned to be constructed in India. For this network the Japanese system of the Shinkansen Bullet Train has been selected for its safety, performance and reliability record. After securing the project, IRCON has finalized the detail programme of High-Speed Track construction based on Shinkansen technology for overall total length of 237 Km between Vapi and Surat Railway Stations. This Shinkansen track would be capable of running bullet trains at maximum permissible speed of 350 Kmph. The company has procured rail welding machine under Make In India scheme and is in the process of commissioning. The Shinkansen technology will use RCC track bed, J Track slabs, Cement Asphalt Grout, Special fittings and JIS Rails instead of conventional ballast-less track being constructed in Metro network of Railways in India.

### BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

With the deployment of NTC machine, 260-meter-long rail panel can be laid with uniform sleeper spacing and minimum manual interface. This ensures a better quality of track laying and faster progress of track laying with 1.5 km completion per day.

### IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR) – N.A.

### RESEARCH AND DEVELOPMENT

The Company being primarily an EPC company does not undertake any pure research project but takes the help of consultants and firms to innovate and to develop methods and techniques to execute projects in a cost-effective manner, with requisite quality, to enhance the technical competence and efficiency.

### INFORMATION TECHNOLOGY AND ERP

The Company's Information Technology (IT) department offers a range of services encompassing Data Networks, implementation of company-wide software applications, procurement of IT hardware equipment, as well as the implementation of Highway Traffic Management Systems (HTMS), Toll Management Systems (TMS), and Weigh-in-Motion systems for major highway projects undertaken and operated by IRCON and its Joint Venture companies as concessioners. IT serves not only as a service provider but also plays a vital role in enhancing productivity within IRCON.

IRCON has recently upgraded to SAP S/4 Hana as Enterprise Resource Planning (ERP) application software for the operations of Finance, Controlling and Human Resource Management. It is leading to company wide information availability, transparency and has enabled faster decision making. SAP Business Objects (SAP BO) an analytical product of SAP was added to SAP implementation to automate on-demand financial reporting. This reporting tool fetches real-time data from SAP and helps in preparation of Financial Statements of the Company. Employee Self Service Portal, Finance and HCM modules of SAP have been rolled out for entire organization and five pilot locations are under go live for full functionalities. The financial statements for the year ended March 31, 2023 were prepared from SAP S4-HANA and salaries of employees are also being processed through its payroll module from April 2022 onwards. Fully functional SAP S4-HANA after implementation will cover end-to-end business processes of IRCON. S4-HANA ERP software's server infrastructure is hosted on RailTel cloud on a MEITY empaneled Datacenters to ensure secured access in high availability environment where in there is scope for capacity augmentation without disruption of regular services.

E-Office system is deployed across IRCON for all domestic and foreign projects. It is a step towards paperless office initiative from Government of India for the approvals and movement of files, note sheets and other official documents. It is complete replacement of physical file system with loss less and undeletable data facility, and Digital Signature authentication features.

Implementation of S4-HANA as well as e-office will be in conjunction to each other, and has helped IRCON to march ahead with near paperless requirement in the entire organization.

Dedicated video conferencing facility based on cutting edge AI based online meeting is being widely used for conducting review meetings with project offices, trainings, promotion interviews and contract management issues etc.

## BOARD'S REPORT

Cyber and Social Engineering attacks are a big concern now a days for organizations information security. IRCON has made efforts in this area and has formulated a Cyber Security Management Plan. Incidents of Cyber-attack are reported to CERT-IN for record and further guidance. Steps are being taken to ensure that proper Cyber security audits are done as per industry practice and norms.

### CORPORATE GOVERNANCE

The Company places great emphasis on adhering to corporate governance guidelines and best practices, recognizing their significance in enhancing long-term shareholder value and upholding minority rights. It considers it a fundamental obligation to provide timely and accurate information regarding the Company's operations, performance, leadership, and governance.

In compliance with Regulation 34 of the LODR Regulations and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises issued in May 2010, the Corporate Governance Report, along with the compliance certificates of Corporate Governance norms under the aforementioned LODR Regulations and DPE Guidelines, is attached and constitutes an integral part of this report.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2023, the Company has ten directors of which four are whole-time directors [Chairman & Managing Director, Director (Finance), Director (Works) and Director (Projects) (additional charge)], two Government Nominee Directors and four Independent Directors.

The Company has requested the Ministry of Railways for appointment of requisite number of Independent Directors in order to comply with the statutory requirements. There were two vacancies to the post of Independent Directors. Pursuant to Section 203 of the Companies Act, 2013, the Board of Directors had declared Chairman & Managing Director (CMD) as deemed Chief Executive Officer (CEO) and all the Whole-time Directors and Company Secretary as Key Managerial Personnel (KMP) of the Company. The senior most finance official of the Company is designated as Chief Financial Officer (CFO) and KMP.

### Board of Directors & Key Managerial Personnel (KMP) as on March 31, 2023

The Board of Directors of the Company as on March 31, 2023 were Executive (Functional) Directors viz.- Shri Yogesh Kumar Misra (DIN: 07654014), Chairman & Managing Director & CEO, Smt. Ragini Advani, (DIN: 09575213), Director (Finance), Shri Parag Verma, (DIN: 05272169) Director (Works), Shri Sandeep Jain (DIN:

09435375) Director (Projects) (Additional Charge); Part-time (Official) Directors viz. Shri Brijesh Kumar Gupta (DIN: 10092756) and Shri Dhananjaya Singh (DIN: 08955500); being Government Nominee Directors and Independent Directors viz. Shri Ajay Kumar Chauhan (DIN: 09394953), Shri Dipendra Kumar Gupta (DIN: 09398271), Smt. Ranjana Upadhyay (DIN: 07787711) (woman independent director) and Dr. Kartik Chandulal Bhadra (DIN: 09453387).

In addition to the CEO and whole-time directors, other KMP, as on March 31, 2023 were Shri B Mugunthan, Executive Director (Finance) & CFO and Ms. Ritu Arora, Company Secretary.

### Appointments and cessation of the Directors and KMP during and after close of the FY 2022-23

#### Changes in the post of Chairman & Managing Director:

After close of the financial year 2022-23, pursuant to Railway Board letter dated April 29, 2023, with effect from April 29, 2023 Shri Yogesh Kumar Misra (DIN: 07654014) relinquished the charge of the post of Chairman & Managing Director and Shri Brijesh Kumar Gupta (DIN: 10092756) assumed the additional charge of the post of Chairman & Managing Director. Shri Gupta is proposed to be regularized as Chairman & Managing Director (Additional Charge) of the Company at the ensuing AGM of the Company.

#### Changes in the post of Functional Directors

Smt. Ragini Advani (DIN: 09575213) was appointed as Director (Finance) (Additional Director) of the Company w.e.f. April 19, 2022 and regularized as Director (Finance) on June 29, 2022 through Postal Ballot.

Shri Parag Verma (DIN: 05272169) was appointed as Director (Works) (Additional Director) of the Company w.e.f. September 21, 2022. He was regularized as Director (Works) on December 14, 2022 through Postal Ballot.

Shri Shyam Lal Gupta (DIN: 07598920) ceased to be Director (Projects) on December 31, 2022, due to superannuation. Shri Sandeep Jain, IRSE, Executive Director Planning (Civil & PSU) – Railway Board, entrusted with the additional charge of Director (Projects) (Additional Director) w.e.f. January 12, 2023 and ceased to be Director (Projects) (additional charge) on July 07, 2023, due to relinquishment of charge on appointment of regular incumbent to the post of Director (Projects).

Shri Anand Kumar Singh (DIN: 07918656), IRSE on selection by PESB has been appointed as Director (Projects) (Additional Director) w.e.f. July 07, 2023. Shri Singh is proposed to be regularized as Director (Projects) of the Company at the ensuing AGM of the Company.

Shri Mohit Sinha (DIN: 00843548), Additional Member (Revenue), Railway Board relinquished the additional



## BOARD'S REPORT

charge of the post of Director (Finance) of the Company w.e.f. April 19, 2022.

### Changes in the post of Part-time (Official) Director / Government Nominee Director:

Shri Brijesh Kumar Gupta (DIN: 10092756), Additional Member (CE), Railway Board was appointed as Part-Time (Official) Director (Government Nominee Director) (Additional Director) of the Company w.e.f. March 29, 2023 who then assumed the additional charge of the post of Chairman & Managing Director w.e.f. April 29, 2023.

Shri Rajesh Argal, former Additional Member (Planning), Railway Board ceased to be Part-Time (Official) Director (Government Nominee Director) of the Company w.e.f. July 31, 2022 on attaining the age of superannuation.

Shri Ram Prakash, Additional Member (Planning) (L/A) (DIN: 09746225) was appointed as Part-Time (Official) Director (Government Nominee Director) (Additional Director) of the Company w.e.f. September 23, 2022. He was regularized on December 14, 2022 through Postal Ballot and he ceased to be Director on January 31, 2023 on attaining the age of superannuation.

### Regularization of Independent Directors:

Shri Ajay Kumar Chauhan, Shri Dipendra Kumar Gupta, Smt. Ranjana Upadhyay (Women Independent Director) and Dr. Kartik Chandulal Bhadra who were appointed as Independent Directors (Additional Directors) during FY 2021-22 were regularized as Independent Directors on the Board of the Company on June 29, 2022 through Postal Ballot.

### Change in the KMPs:

Shri B Mugunthan, Executive Director (Finance), was appointed as CFO & KMP w.e.f. April 26, 2022.

The complete details of appointment / relinquishment of post by the Directors and other related details are provided in the Corporate Governance report forming part of Annual Report.

### **INDEPENDENT DIRECTORS' DECLARATION**

The Company has received necessary declaration from all Independent Directors that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the LODR Regulations. The declarations have been noted by the Board of Directors.

The Ministry of Corporate Affairs (MCA) has issued notifications in October 2019, relating to the creation and maintenance of the data bank for independent directors by Indian Institute of Corporate Affairs at Manesar, Haryana (IICA). Under Section 150(1) of the Companies Act, 2013, IICA conducts Online Proficiency Self-Assessment for

Independent Directors. Accordingly, all the Independent Directors of the Company are registered with data bank of IICA.

### **APPOINTMENT / RE-APPOINTMENT OF DIRECTORS THROUGH POSTAL BALLOT**

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Further pursuant to LODR Regulations, every listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment. However, CPSEs are allowed that the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors or as a Manager is taken at the next general meeting.

### **RETIREMENT OF DIRECTORS BY ROTATION**

In terms of Section 152 of the Companies Act, 2013, the provisions in respect of retirement of Directors by rotation will not be applicable to the Independent Directors. In view of this, all directors (other than the Independent Directors) are considered for retirement by rotation. Accordingly, as per provisions of the Companies Act, 2013, Smt. Ragini Advani, Director (Finance) is liable for retirement by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer herself for re-appointment.

The details of such Director seeking re-appointment / appointment at the ensuing AGM are contained in the Notice convening ensuing AGM of the Company.

### **BOARD & COMMITTEE MEETINGS**

#### **Board Meetings:**

The Board met eight (8) times during the FY 2022-23, on April 26, 2022; May 27, 2022; July 22, 2022; August 08, 2022; September 23, 2022; November 11, 2022; December 31, 2022; and February 08, 2023. The necessary quorum in terms of LODR Regulations was present for all the meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, DPE Guidelines and LODR Regulations.

During the FY 2022-23, all the meetings (except one) of the Board were held at the Company's Registered Office, in New Delhi, through physical and Video Conferencing mode. One Board Meeting was held at Shillong, Meghalaya in compliance with the direction of the DPE for holding Board Meeting / Strategic meets of CPSEs at destinations which have potential for development of tourism sector in the country.

## BOARD'S REPORT

### **Committee meetings:**

Your Company's Board has the following committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility & Sustainability Committee
6. Project Progress Review Committee

During the FY 2022-23, the Audit Committee of the Board met eight (8) times, the Nomination & Remuneration Committee met five (5) times, Stakeholders' Relationship Committee met one (1) time; Risk Management Committee of the Board met two (2) times; the Corporate Social Responsibility & Sustainability Committee met six (6) times, and the Project Progress Review Committee met one (1) time.

Details of constitution, terms of reference of the Committees, and attendance of Directors at meetings of the Committees are provided in the Corporate Governance Report forming part of Annual Report.

### **Separate Meeting of Independent Directors**

In compliance with the provisions of Regulation 25(3) of LODR Regulations, Schedule IV of the Companies Act, 2013 and DPE OM dated March 20, 2013, one separate meeting of Independent Directors was held on March 16, 2023 (which continued on March 17, 2023) without the presence of other Board Members.

### **SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA**

IRCON being a Government Company, the appointment of directors on its Board is made by the President of India through the Administrative Ministry, Ministry of Railways. The key qualifications, skills, expertise and attributes of the Directors is included in the Corporate Governance Report.

### **PERFORMANCE EVALUATION**

IRCON is a Government Company that operates under the administrative control of the Ministry of Railways. The appointment procedure for all directors is prescribed by the Government of India, and the directors of the Company have been appointed in accordance with this procedure. The selection of functional directors, including the Chairman and Managing Director (CMD), follows the recommendations of the Public Enterprises Selection Board (PESB) in line with the procedure and guidelines set by the Government of India. The Department of Public Enterprises (DPE) has also established a system and procedure for evaluating the performance of functional

directors, including the CMD.

The evaluation framework for assessing the performance of functional directors encompasses several key areas:

- a) The performance of the Company under the Memorandum of Understanding (MOU) signed with the Ministry of Railways, including the achievement of targets set for each respective director.
- b) The evaluation process involves self-assessment by the functional directors themselves, followed by an assessment by the CMD, and finally, a comprehensive evaluation by the Ministry of Railways (the Administrative Ministry).
- c) For the CMD, the evaluation includes self-assessment and a final evaluation conducted by the Ministry of Railways.

Regarding Government Nominee Directors, their evaluation is carried out by the Ministry of Railways in accordance with the prescribed procedure. Independent Directors, who are also appointed by the Government of India, undergo evaluation by the Ministry of Railways and, ultimately, by the DPE.

### **REMUNERATION POLICY FOR THE BOARD AND SENIOR MANAGEMENT**

As a Government Company, IRCON follows the guidelines issued by the Department of Public Enterprises (DPE) for determining the remuneration of its functional directors, senior management officials, and other employees. The Company has placed the salient features of its remuneration policy for key managerial personnel and employees on its website (www.ircon.org) under the HRM and Career Sections, as required by Section 178(4) of the Companies Act, 2013.

The remuneration policy of the Company, as well as the procedures and policies for the appointment of Senior Management, are reviewed and recommended by the Nomination & Remuneration Committee before being approved by the Board of Directors.

Furthermore, under Section 197 of the Companies Act, 2013, and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, listed companies are required to disclose specific details of directors' remuneration in the Board's Report. However, Government Companies, including IRCON, are exempted from complying with this provision as per Notification No. GSR 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs.

Therefore, such details are not included in the Board's Report of IRCON. However, the remuneration paid to directors during FY 2022-23 is disclosed in the Corporate Governance Report.



## BOARD'S REPORT

### INTERNAL CONTROL SYSTEMS

The Company has implemented robust financial controls in accordance with the provisions of the Companies Act, 2013. These internal financial controls over financial reporting are functioning effectively. The controls are designed to ensure the maintenance of accurate accounting records, promote the orderly conduct of business operations in compliance with company policies, safeguard company assets, prevent and detect fraud and errors, and ensure the reliability of financial and operational information. The internal control system, which includes Internal Financial Controls over Financial Reporting, undergoes periodic reviews, and necessary adjustments are made to align with evolving business needs.

Further information about the internal control system can be found in the Management Discussion and Analysis Report.

### INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Your Company has adopted an 'Internal code of conduct for prevention of insider trading in dealing with securities of the Company' (Code of Conduct), to regulate, monitor and report trading by designated persons and their immediate relatives and code for practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI) as per the requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct aims that the insiders of the Company shall not derive any benefit or assist others to derive any benefit from the access to and possession of UPSI about the Company which is not in the public domain and thus constitutes insider information.

The Code of Conduct as approved by the Board has been posted on the website of the Company, i.e., [www.ircon.org](http://www.ircon.org) under the head Codes and Policies in the Investors section.

### RISK MANAGEMENT

The Company has an elaborate Enterprise Risk Management (ERM) framework, including risk management policy for risk identification and its mitigation.

As per the LODR Regulations, the Company is having a Board level Risk Management Committee, which as on March 31, 2023 comprised of Director (Works) as Chairman, Director (Finance), Director (Projects), and Dr. Kartik Chandulal Bhadra, Independent Director as members.

Details of the Risk Management System are provided in the Management Discussion and Analysis Report and the Risk

Management Committee are provided in the Corporate Governance Report.

### WHISTLE BLOWER POLICY / VIGIL MECHANISM AND VIGILANCE ACTIVITIES

Being a Government Company, the Company has a separate Vigilance Department which deals with fraud or suspected fraud involving employees/ representatives of suppliers, contractors, consultants, service provider or any other party doing business with the Company. Whistle Blower and Fraud Prevention and Detection Policies have been approved by the Board of Directors and are available on the website of the Company. The Company has in place the necessary vigil mechanism for employees and directors to report to the Management concerns about unethical behavior, actual or suspected fraud, violation of the Company's Code of Conduct or ethics policy and instances of a leak of unpublished price sensitive information. If one raises a concern under this Policy, the complainant will not be at risk of suffering any form of reprisal or retaliation (including discrimination, reprisal, harassment or vengeance) in any manner. No person has been denied access to the Chairman & Managing Director, IRCON or to Chairman of the Audit Committee.

The Vigilance Department plays an advisory role to the top management in matters pertaining to vigilance. It is headed by a full-time Chief Vigilance Officer (CVO) appointed by the Appointments Committee of the Cabinet (ACC) in consultation with Central Vigilance Commission (CVC).

The Department ensures implementation of laid down guidelines/procedures through preventive checks of tenders and contracts, execution of works, and other functions as well as carry out investigations into complaints. During FY 2022-23, the Department has carried out 01 surprise inspection and 06 periodic inspections on high-value projects. Apart from surprise and periodic inspections department has carried out 04 preventive inspections on tenders floated from the corporate office. Chief Technical Examiner's Organisation (Technical wing of Central Vigilance Commission) has also carried out extensive investigation of 01 Project.

Complaints raised against officials and procedures, etc., by various Authorities (such as CVC/Railway Board Vigilance, CBI, Prime Minister's Office, etc.,) and received from other sources were investigated to their logical conclusion.

During FY 2022-23, the Department has received a total of 12 nos. complaints and total 11 nos. complaints were disposed off including that of previous years. Nature of Complaints includes irregularities during tendering, execution of contract, anonymous & pseudonymous

## BOARD'S REPORT

and quality related issues. Also steps were taken for closure of Paras raised by the Chief Technical Examiner's Organisation (CTEO). In addition, scrutiny of immovable property returns of employees, creating awareness on rules/procedures/common irregularities in execution through workshops, training, debate, competitions, etc., have been the prime activities of the Department.

As a step towards 'Leveraging of Technology' for better transparency, online services are efficiently running since years viz, submission of immovable Property Returns since 2012-13; online Vigilance Clearance since April 1, 2014 through the intranet portal; and filing of vigilance complaints since December 2012. Further, E-Procurement has already been started w.e.f July 1, 2013 in the organisation in a comprehensive manner for achieving transparency for all value of the work.

IRCON has adopted Integrity Pact (IP) as recommended by the Central Vigilance Commission (CVC) on June 24, 2014, for tenders/contract for works and supply with an estimated value of ₹5 Crore and above on all Indian Projects. The Integrity Pact is made a compulsory document in the conditions of model e-Procurement Documents for all works. IRCON has implemented this Integrity Pact which is a tool developed by Transparency International and it ensures that all activities and transactions between a Company or Government Departments and their Suppliers are handled in a fair, transparent and corruption-free manner.

As per the provision of Integrity Pact and relevant guidelines of Central Vigilance Commission, Dr. T.M. Bhasin, Ex. Central Vigilance Commissioner, has been appointed as an Independent External Monitor (IEM) on November 18, 2020 as per earlier SOP and Shri Bimal Julka, Retired IAS, has been appointed on November 30, 2021 as 2nd IEM as per revised SOP to receive any complaints from the bidders and submit the investigation report.

Vigilance strives to achieve its objective of promoting an impartial, fearless, and transparent environment in the functioning of the organization by taking steps to prevent unethical practices.

### RELATED PARTY TRANSACTIONS

Pursuant to the provisions of Section 177 and 188 of the Companies Act 2013 (the Act) and LODR Regulations, prior approval of the related party transactions wherever applicable are taken from the Audit Committee / Board as applicable. Prior omnibus approval of the Audit Committee is also obtained on yearly basis for various Related Party Transactions between IRCON or any of its subsidiaries on one hand and a related party of the IRCON or any of its subsidiaries on the other hand in the ordinary course of business valuing not exceeding ₹1 Crore for

each contract / agreement / transaction in a financial year. The transactions, if any, entered into pursuant to the omnibus approval granted, are placed before the Audit Committee on a quarterly basis. Approval of specific related party transactions other than those covered under the Omnibus approval are also obtained from the Audit Committee/ Board in compliance with the requirement of the Companies Act 2013 and LODR Regulations.

In pursuance to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the "Disclosure of particulars of contracts / arrangements entered by the Company with related parties including certain arms-length transactions" are disclosed in Form AOC-2 and is annexed to this Report.

The Related Party Transaction Policy of the Company has been revised and approved by the Board during the year 2022-23 and is uploaded on the Company's website under the 'Investors' section at [www.ircon.org](http://www.ircon.org).

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i) that in the preparation of the financial statements, the applicable accounting standards had been followed except as otherwise stated in the annual financial statements and there has been no material departure;
- ii) that such accounting policies were selected and applied consistently and such judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on March 31, 2023, and of the profit of the Company for the FY 2022-23;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the financial statements have been prepared on a going concern basis;
- v) that internal financial controls were adequate and operating effectively; and
- vi) that proper system has been devised to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The "Business Responsibility and Sustainability Report"



## BOARD'S REPORT

(BRSR) in compliance with the provisions of Regulation 34 of the LODR Regulations, in the format prescribed under SEBI Circular May 05, 2021 forms part of the Report. The report describes the initiatives taken by IRCON from an environmental, social and governance perspective.

### MOU RATING / AWARDS

As per the DPE guidelines, the Ministry of Railways and IRCON enter into a Memorandum of Understanding (MOU) annually, outlining selected parameters and targets for each financial year. The Company's performance is evaluated at the end of the year based on the achievement of these targets. According to the MOU parameters and the Company's performance in the fiscal year 2021-22, it has received a rating of 'Very Good'.

IRCON has been awarded several prestigious awards. Some of the significant awards and accolades won so far during the year 2022-23 are mentioned below:

- Greentech Environment Award for Environment Protection
- ENR – Construction World Global Award
- Dun & Bradstreet PSU & Government Summit - Aatma Nirbhar Bharat Initiatives

## AUDITORS

### STATUTORY AUDITORS

The Comptroller & Auditor General of India (C&AG) has appointed M/s HDSG & Associates, Chartered Accountants, New Delhi (Firm Registration No.002871N) as the single Statutory Auditors of the Company for FY 2022-23, except for the following foreign projects for which C&AG has approved the appointment of the following as statutory auditors:

BRANCH AUDITORS FOR INTERNATIONAL PROJECTS	
M/s Ait MIMOUN Rafik	Algeria Project
M/s Edirisinghe & Co.	Sri Lanka Project
M/s Toha Khan Zaman & Co.	Bangladesh Project

### COST AUDITORS

In pursuant to the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Company has maintained the cost records of the Company. The Board of Directors has appointed M/s R.M. Bansal & Co., Cost Accountants, (having firm Registration No.000022) as Cost Auditor of the Company for the FY 2022-23 for conducting the audit of cost records

### SECRETARIAL AUDITORS

In pursuant to the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the LODR Regulations, the Board of Directors has appointed M/s Kumar Naresh Sinha & Associates, Company Secretary in practice (Firm Registration No. S2015UP440500) as the Secretarial Auditor for conducting Secretarial Audit of the Company for the FY 2022-23.

### INTERNAL AUDITORS

The Board of Directors have appointed following Internal Auditors for the Indian & Foreign Projects for the FY 2022-23:

Sl. No.	Region / Audit Circles	Internal Auditors
1.	Corporate Office Region (including Foreign Project viz. Algeria Project)	M/s A.M.A.A. & Associates, Chartered Accountants
2.	Northern Region	M/s A.M.A.A. & Associates, Chartered Accountants
3.	Eastern Region (including foreign projects viz. Myanmar Road Project, Khulna Mongla Bangladesh, Ishrudi Darsana Bangladesh S&T, and Bhairab Railway Bridge (JV) Project Bangladesh)	M/s SEN & RAY, Chartered Accountants
4.	Mumbai Region (including Foreign Project viz. Upgradation of Railway Line, Maho to Omanthai, Sri Lanka)	M/s J. Singh & Associates, Chartered Accountants
5.	Patna Region	M/s Gupta Sachdeva & Co., Chartered Accountants
6.	J & K Region	M/s Baweja & Kaul, Chartered Accountants

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

IRCON is engaged in the business of providing infrastructure facilities and is exempted from compliance with all the provisions of Section 186 [except sub-section (1) to Section 186] in terms of Section 186(11)(a) read with Schedule VI of the Companies Act, 2013.

The details of investments made, loans granted, and guarantees extended by the Company to its subsidiary and joint venture companies during the FY 2022-23 forms part of the notes to the standalone financial statements provided in the Annual Report.

## BOARD'S REPORT

### DEPOSITS

The Company did not accept any deposits from the public during the financial year.

### OTHER DISCLOSURES

#### EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as at March 31, 2023 is placed on the website of the Company at [www.ircon.org](http://www.ircon.org), under the Investors section.

#### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has complied with the provisions relating to the Investor Education and Protection Fund (IEPF) under the Companies Act, 2013 and the rules made thereunder. Company Secretary is the nodal officer to deal with the IEPF Authorities and compliances related thereto.

No amount is due for transfer to IEPF and details of unclaimed dividend as on March 31, 2023 are available on the website of the Company, and this is also disclosed in the Corporate Governance report. Further, the Company does not have shares in Demat Suspense Account/ Unclaimed Suspense Account/ Unclaimed Dividend Account and the same has been disclosed in the Corporate Governance report.

#### SECRETARIAL STANDARDS

During the financial year, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

#### SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No order has been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the FY 2022-23.

#### DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which will have material impact on the business of the Company.

#### CHANGE IN THE NATURE OF BUSINESS

There was no material change in the nature of business of the Company during the FY 2022-23.

### DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of LODR Regulations and the guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by the DIPAM, the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy. The Policy is hosted on the Website of the Company at <https://ircon.org/images/file/cosecy/Dividend%20Distribution%20Policy.pdf>.

### SECRETARIAL AUDIT REPORT AND MANAGEMENT RESPONSE THERETO

The "Secretarial Audit Report" from the secretarial auditor in Form MR-3 as required under Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report.

The Management Response on the qualification in the Secretarial Auditor Report and compliance of conditions of Corporate Governance for the FY 2022-23 forms part of this report.

### STATUTORY AUDITORS' REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for FY 2022-23 (both on standalone and consolidated financial statements) are attached separately as part of the Annual Report. There are no qualifications, reservations or adverse remarks made by M/s HDSG & Associates, Statutory Auditors, in their report for the financial year ended on March 31, 2023.

Comments of C&AG on the Audited Financial Statements of your Company for the FY 2022-23 are attached.

### ACKNOWLEDGEMENT

The Directors of the Company would like to extend their heartfelt gratitude and acknowledgement for the invaluable assistance and cooperation received from various Ministries such as Railways, Road Transport and Highways (MoRTH), External Affairs, Finance, Commerce, Urban Development, as well as other ministries, departments, and agencies. We are also grateful for the support received from the office of Comptroller & Auditor General of India, Reserve Bank of India, Bankers, Statutory, Branch, Cost, Secretarial & Internal Auditors, of the Company, Indian Embassies & Missions abroad, Foreign Missions & Embassies in India, EXIM Bank, ECGC Limited, Protector of Immigration, Passport Authority, and our esteemed clients both within India and overseas as without their active support, the Company would not have achieved its milestones during the year under review.



## BOARD'S REPORT

We would like to express our sincere appreciation to all the dedicated employees of the Company at every level. Their unwavering efforts, dedication, sincerity and commitment have significantly contributed to achieving the highest ever performance of the Company.

For and on behalf of the **Board of Directors**

Sd/-

**(Brijesh Kumar Gupta)**

Chairman & Managing Director (L/A) & CEO  
(DIN:10092756)

Date: August 11, 2023

Place: New Delhi

### APPENDIX-A

#### ON-GOING MAJOR PROJECTS IN INDIA

Sl. No.	Name of the Project	Revised Contract Value (₹ in Crore)
<b>RAILWAYS</b>		
1.	Katra-Qazigund section (IRCON's portion), Udhampur Srinagar Baramulla Rail Link Project, for Northern Railway	13,557
2.	Sivok-Rangpo New Rail Line project, for North Frontier Railway	8,248
3.	Mumbai Ahmedabad High Speed Rail Project, Package MAHSR-T-2 for National High Speed Rail Corporation Limited (NHSRCL)	5,143
4.	Construction of Corridor-III of East-West Corridor between Gevra Road to Pendra Road approximately 135 km, feasibility study of East-West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh, for Chhattisgarh East-West Railway Limited (CEWRL)	4,970
5.	Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh and Spur Line in the State of Chhattisgarh, for Chhattisgarh East Railway Limited (CERL).	3,055
	Construction of New BG Electrified Rail Line between Dharamjaigarh to Korba (Urga) for CERL (CERL-II).	1,686
6.	Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin Section of Dedicated Freight Corridor Project, CTP-12, for Dedicated Freight Corridor Corporation of India Limited (DFCCIL)	3,353
7.	Doubling projects at Katni - Singrauli Doubling Project, for West Central Railway	2,445
8.	Design and Construction of Civil and Building Works including Testing and Commissioning on Design Build Lump Sum Price Basis for Double Line High Speed Railway involving Ahmedabad Station, Sabarmati Station, Viaduct & Bridges, Crossing Bridges (excluding fabrication and transportation of Steel truss girders) and Associated works between MAHSR Km. 489.467 and MAHSR Km. 507.599 in the State of Gujarat for the Project for Construction of Mumbai- Ahmedabad High Speed Rail (Package No. MAHSR C-7), for NHSRCL	1,714
9.	Execution of rail connectivity projects identified by Bastar Railway Private Limited (BRPL)	1,466
10.	RDUM-TAL-RJO (Rampur Dumra - Tal - Rajendrapul Doubling including Ganga Bridge) Doubling projects for East Central Railway	1,701
11.	Katni Grade Separator / By pass line (21.50 Km) Project, for West Central Railway.	1,248

## BOARD'S REPORT

Sl. No.	Name of the Project	Revised Contract Value (₹ in Crore)
12.	Kiul - Gaya Doubling projects for East Central Railway	1,200
13.	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL)	1,799
14.	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL)	1,700
15.	Akhaura - Agartala Rail Link Project (Construction of Indian Portion), for North Frontier Railway	865
<b>ROADS</b>		
1.	Construction of Eight Lane Access Controlled Expressway from Km 69.800 to Km 79.783 (Bhoj to Morbe Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity mode under Bharatmala Pariyojana (Phase-II-Package-XVII), for National Highways Authority of India (NHAI)	1,436
2.	Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) in the state of Maharashtra on Hybrid Annuity Mode under Bharatmala Pariyojana (Phase II-Package XIV), for NHAI	1,124
3.	Construction of Four/ Six lane Greenfield Ludhiana- Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana Bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode: Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to Kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), for NHAI	1,107
4.	Upgradation of Gurgaon-Pataudi-Rewari Section of NH-352W as feeder route in the State of Haryana on Hybrid Annuity Mode for NHAI	900
5.	Upgradation and Four Laning of Haridwar Bypass Package-1 From Km. 0+000 (Km 188+100 of NH-58) to Km. 15+100 (Km 5+100 of NH 74) in the state of Uttarakhand on Hybrid Annuity Mode, for NHAI	861
<b>OTHERS</b>		
1.	Setting up of 500 MW Grid Connected Solar PV Power Projects in India (Tranche III) under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for Indian Renewable Energy Development Agency Limited (IREDA)	1,960
2.	Two projects viz. Design, Supply, Installation, Testing and Commissioning of receiving Sub Stations [including 25 kV AC Traction cum 33 kV Auxiliary Main Sub Stations], Extra High Voltage & High Voltage Cabling, 25 kV Overhead Equipment (FOCS/ROCS), Auxiliary Power Supply [including Auxiliary Sub Station], and Associated Works on via duct & Tunnel from Duhai (EPE) to Modipuram [including Modipuram Depot] for Delhi-Ghaziabad-Meerut RRTS Corridor of National Capital Region Transport Corporation (NCRTC) (Lot-P19 L1 and Lot-P19 L2) for NCRTC	318 405
3.	Railway Electrification works for Badarpur- Jiribam, Katakhal - Bhairabi and Badapur-Karimgang - Sabroom Incl Karimgang - Maishasan, Agartala - Akaura and Baraigram - Dullabachera for North Frontier Railway	659



## BOARD'S REPORT

### APPENDIX – B

#### A. SUBSIDIARY COMPANIES:

##### 1. IRCON INFRASTRUCTURE & SERVICES LIMITED (IrconISL)

IrconISL, a wholly owned subsidiary of IRCON, was incorporated on September 30, 2009 and obtained the Certificate of Commencement of Business on November 10, 2009. The main objects of IrconISL are to undertake infrastructure projects including planning, designing, development, improvement etc. in the field of construction of Multi-Functional Complexes (MFCs) etc., to provide facilities and amenities to users of Indian Railway System; and to carry on the business of hire purchasing, leasing of all kinds of moveable and immovable properties, to provide consultancy for all kinds of engineering projects including providing maintenance, support and all kinds of services including social welfare measures, etc.

During the FY 2022-23, IrconISL has secured 05 new projects viz. (i) Maintenance of project assets in newly commissioned Korichappar to Dharamjaygarh section and Ghargoda to Bhalumuda section from Chhattisgarh East Railway Limited; (ii) Development & Monetization of Land Parcel Under SDMC Situated at Community Center at Madipur, Punjabi Bagh, New Delhi as Multi Level Car Parking Facility With Commercial Complex For South Delhi Municipal Corporation; (iii) Providing Facility Management Services and Annual Operation cum Comprehensive Maintenance of building related services for Department of Science & Technology; (iv) Providing PMC Services for Construction & Maintenance & Repair (M&R) works of JNVs and other buildings at Hyderabad, Jaipur, Shillong & Pune Regions for Navodaya Vidyalaya Samiti. and (v) Construction of Phase-B Work at JNV Sabarkantha (Gujarat) for Navodaya Vidyalaya Samiti.

Along with the above new projects, during the FY 2022-23, the following on-going projects are in various stages of completion:

- i. PMC for construction of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana.
- ii. PMC for construction of Office Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi.
- iii. PMC for construction of Barrack Accommodation for Security Personnel at

four (4) Land ports (ICPs) [i.e.1.Attari-Punjab, 2. Jogbani-Bihar, 3.Petrapole- West Bengal, 4.Dawki-Meghalaya] for Land Ports Authority of India (LPAI). Attari project is completed and handed over to client.

- iv. PMC for construction of Multi Modal Logistics Park (MMLP) for CONCOR at (a) Kadakola, Mysuru District, Karnataka, (b) Paradip (Orissa); (c) Bhaupur, Kanpur (U.P), and (d) Dahej, Gujarat. Dahej Project is commissioned and handed over to client.
- v. PMC for construction of Jawahar Navodaya Vidyalaya (JNV) at two locations, one at Sabarkantha (Gujarat) and other at Agar Malwa (Madhya Pradesh) for Navodaya Vidyalaya Samiti. Final Bill is under process.
- vi. PMC for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at National Thermal Power Corporation, Unchahar, U.P.
- vii. PMC for Construction of Infrastructure works at National Disaster Response Force Academy at Nagpur.
- viii. Engagement as Consultant for Detailed Engineering & Project Supervision for development of handling facilities for IFFCO at MMLP Paradip Port, Orissa, awarded by CONCOR.
- ix. Maintenance of Track, Civil Engineering, OHE and S&T assets of Kharsia-Korichhappar newly laid BG Section for Chhattisgarh East Railway Limited.
- x. Supervision Consultancy for Construction of ROB in lieu of LC No.114 B on Ahmedabad Botad Railway Line in the State of Gujarat for Ahmedabad (R&B) Division.
- xi. Appointment of Inspection Agency for Inspection, Supervision & Quality Control related works of Assembly and Launching of Steel Superstructure within the Railway portion including fabrication & installation of bearing for "Construction of Road Over Bridges (ROB) at various locations in lieu of LC gates in Maharashtra area under Central Railway" for Maharashtra Rail Infrastructure Development Corporation Limited.
- xii. Supervision Consultancy for Construction of two ROB on Dr. E. Moses Road and Keshavrao Khade Marg near Mahalaxmi Railway Station in G/S ward for Municipal Corporation of Greater Mumbai

## BOARD'S REPORT

xiii. Final Location Survey (FLS) using Modern Survey Technologies for New Broad Gauge Line from Tanakpur to Bageshwar (approx. 154.58km) in the state of Uttarakhand for North Eastern Railway;

xiv. Final Location Survey (FLS) using Digital Terrain/ Elevation Model (DTM/ DEM/DSM) generated from satellite or LiDAR imageries, staking of alignment on ground, Geological & Geophysical mapping etc. in connection with Imphal-Moreh new BG Single Line project in Manipur (Total approx. length 110KM) for Northeast Frontier Railway; and

xv. Development & Monetization of Land Parcel Under SDMC Situated at Community Center at Madipur, Punjabi Bagh, New Delhi as Multi Level Car Parking Facility With Commercial Complex For South Delhi Municipal Corporation. Feasibility report and financial model of the project has been submitted to client.

During FY 2022-23, Construction of the Multi Modal Logistics Park (MMLP) for CONCOR at Dahej, Gujarat, was completed in August 2022. Construction of Phase-A works at JNV Sabarkantha (Gujarat) was completed on November 30, 2022, and construction of Phase-A works at JNV Agar Malwa (MP) was completed on March 30, 2023.

##### 2. IRCON PB TOLLWAY LIMITED (IrconPBTL)

IrconPBTL, a wholly owned subsidiary of IRCON, incorporated as a Special Purpose Vehicle on September 30, 2014, and obtained approval for commencement of business on November 14, 2014. The main object of IrconPBTL is to carry on the business of widening and strengthening of the existing Bikaner & Phalodi Section to four lanes from 4.200 km to 55.250 km and two Lane with paved shoulder from 55.250 km to 163.500 km of NH-15 on Build, Operate and Transfer (BOT) (Toll) basis in the State of Rajasthan. IrconPBTL has entered into Concession Agreement with the National Highways Authority of India (NHAI) on November 7, 2014. The concession period of the project is 26 years from the Appointed Date with the total project cost of ₹844.08 Crore.

The provisional certificate of completion for road length of 156.650 Km and 2.52 km has been issued on 15.02.2019 and 04.11.2020 respectively for commencement of tolling operations at all the three toll plazas located at Salasar and Nokhra in Bikaner District and Kheerwa in Jodhpur District, Rajasthan. Toll Fee for entire project length of 159.200 km is being collected.

Initially the revenue was collected by deploying toll collection agency on the manpower supply basis, however, from June 2021 onwards revenue collection is being done on auction basis to avoid leakages and ensure fixed revenue to the SPV.

##### 3. IRCON SHIVPURI GUNATOLLWAY LIMITED (IrconSGTL)

IrconSGTL, a wholly owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on May 12, 2015 and obtained the approval for Commencement of Business on May 27, 2015. The main object of IrconSGTL is to carry on the business of four-laning of Shivpuri-Guna section of NH-3 from 236.00 km to 332.1 km on Build, Operate, and Transfer (BOT) (Toll) basis on Design, Build, Finance, Operate and Transfer (DBFOT) pattern under NHDP Phase-IV in the State of Madhya Pradesh.

IrconSGTL has entered into Concession Agreement with NHAI on 15th June, 2015. The concession period of the project is 20 years from the Appointed Date, with the total project cost of ₹872.11 Crore. The Project has been executed in two stages.

The Operation & Maintenance of Stage-I and revenue collection has been started from June 7, 2018 and the Completion Certificate for this 85.31 Km length was issued by NHAI on September 27, 2018. The construction of Stage-II of the project for 12.39 Km Road length has been completed and PCOD of 10.400 km and 1.99 kms was obtained on 17.12.2022 and 01.06.2023 respectively. Accordingly, the revenue is collected for the entire stretch of 97.700 kms of both stages with revised tolling fee under commercial operation.

IrconSGTL has availed loan for an amount of ₹501 Crore from SBI and the outstanding balance as on March 31, 2023 is ₹493.06 Crore.

##### 4. IRCON DAVANAGERE HAVERI HIGHWAY LIMITED (IrconDHHL)

IrconDHHL, a wholly owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on May 11, 2017 with the sole object to execute "Six-laning of Davanagere-Haveri from km 260+000 to km 338+923 of NH-48 (old NH- 4) in the State of Karnataka to be executed as Hybrid Annuity Mode (HAM) on Design, Build, Finance, Operate & Transfer (DBFOT) basis under NHDP Phase – V".

IrconDHHL has entered into Concession Agreement (CA) with NHAI on June 19, 2017. The concession period of the project comprises of the construction period of 912 days (30 months) from the Appointed Date i.e., January 24, 2018 and operation & maintenance



## BOARD'S REPORT

period of 15 years commencing from the Provisional Completion / Completion. The total Bid Project Cost is ₹1177 Crore plus escalation during construction and Operation & Maintenance (O&M) cost is ₹10.00 Crore per annum with escalation during the entire O&M period. IRCON has been appointed as EPC Contractor for Construction part only as per the terms of the technical bid submitted by IRCON to NHAI.

The Provisional Completion Certificate (PCC) for 71.738 Km. out of 78.923 Km of project highway was issued by Independent Engineer (IE) w.e.f. 28.05.2021 and the balance work is to be completed within the execution target of 18 months i.e upto 31.10.2024. Further, a total amount of ₹180.39 Crore (excluding GST) has already been received from the NHAI towards four Annuities due as per the terms of CA along with the payment for O&M cost.

IrconDHHL has availed Term Loan of ₹502.76 Crore from Punjab National Bank (PNB) to finance the project and as on March 31, 2023, the outstanding loan is ₹325.29 Cr.

### 5. IRCON VADODARA KIM EXPRESSWAY LIMITED (IrconVKEL)

IrconVKEL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle (SPV) on May 16, 2018 with the main object to carry on the business of 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 on Hybrid Annuity Mode (Phase IA- Package II) on design, build, finance, operate and transfer basis.

IrconVKEL has entered into Concession Agreement with NHAI on May 25, 2018. The concession period of the project comprises of construction period of 730 days from the Appointed Date i.e., January 31, 2019 and operation period of 15 years commencing from Commercial Operation Date (COD), with the total bid project cost of ₹1865 Crore plus escalation excluding O&M cost of ₹8.16 Cr per annum. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI. IrconVKEL has availed term loan of ₹724.12 Crore from Bank of Baroda (BOB) to finance the project and as on March 31, 2023, the outstanding loan is ₹655.16 Cr.

NHAI has issued the Provisional Completion Certificate w.e.f. 25.08.2022 and subsequent to achievement of PCOD, Operation & Maintenance phase of the Project has been commenced w.e.f. 26.08.2022. Further, NHAI has released first annuity

payment along with 1st installment payment of O&M works in March, 2023.

### 6. IRCON GURGAON REWARI HIGHWAY LIMITED (IrconGRHL)

IrconGRHL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on December 24, 2020, and obtained the approval for Commencement of Business on January 06, 2021. The main object of IrconGRHL is "Upgradation of Gurgaon-Pataudi-Rewari section of NH-352W from Km 0.00 to km 43.87 (design length 46.11 km) as a feeder route on Hybrid Annuity Mode under Bharatmala Pariyojana in the State of Haryana, in accordance with the terms of Concession Agreement with NHAI.

IrconGRHL has entered into Concession Agreement with NHAI on January 20, 2021. The concession period of the project comprises of construction period of 730 days from the Appointed Date i.e., November 24, 2021 and operation period of 15 years commencing from Commercial Operation Date, with the total bid project cost is ₹900 Crore excluding O&M cost of ₹2.47 Cr per annum. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI. The project is in execution phase and likely to be completed by 31.06.2024.

IrconGRHL has availed term loan of ₹309.68 Crore from Indian Overseas Bank (IOB) to finance the project.

### 7. IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED (IrconASEL)

IrconASEL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on December 23, 2021, and obtained the Certificate of Commencement of Business on December 31, 2021. The main object of IrconASEL is "to carry the business of Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity Mode (HAM) under Bharatmala Pariyojana (Phase II-Package XIV) awarded by NHAI.

IrconASEL has entered into Concession Agreement with NHAI on January 27, 2022. The concession period of the project comprises of construction period of 548 days from the Appointed Date and operation period of 15 years commencing from Commercial Operation Date, with the total bid project cost of ₹1124 Cr. excluding O&M cost ₹3.0 Cr. per annum. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

The financial closure has been achieved by IrconASEL

## BOARD'S REPORT

and NHAI has declared the appointed date from 10.11.2022. The project is in execution phase and likely to be completed by 11.05.2024.

IrconASEL has availed loan for an amount of ₹686.37 Crore from Bank of Baroda to finance the project. The outstanding loan as on March 31, 2023 is ₹30.70 Crore.

### 8. IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED (IrconLRHL)

IrconLRHL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on December 24, 2021, and obtained the Certificate of Commencement of Business on December 31, 2021. The main object of IrconLRHL is "to carry on the business of construction of Four/Six lane Greenfield Ludhiana- Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manawal (Ludhiana) to junction with NH205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode (HAM): Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to Kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), in accordance with the terms of concession agreement with NHAI.

IrconLRHL has entered into Concession Agreement with NHAI on March 25, 2022. The concession period of the project comprises of construction period of 730 days from the Appointed Date (to be fixed by NHAI) and operation period of 15 years commencing from COD, with the total bid project cost of ₹1107 Crore excluding O&M cost of ₹3.0 Cr per annum. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

The financial closure has been achieved and NHAI has declared the appointed date from 16.02.2023. The project is in execution phase and likely to be completed by February, 2025.

IrconLRHL has availed term loan of ₹570.82 Crore from Bank of Baroda.

### 9. IRCON BHOJ MORBE EXPRESSWAY LIMITED (IrconBMEL)

IrconBMEL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on January 6, 2022, and obtained the Certificate of Commencement of Business on January 13, 2022. The main object of IrconBMEL is "to carry the business of Construction of Eight Lane Access Controlled Expressway from Km 69.800 to Km 79.783 (Bhoj to Morbe Section - SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity Mode (HAM) under Bharatmala Pariyojana (Phase II - Pkg XVII), in

accordance with the terms of concession agreement with NHAI.

IrconBMEL has entered into Concession Agreement with NHAI on February 18, 2022. The concession period of the project comprises of construction period of 910 days from the Appointed Date (to be fixed by NHAI) and operation period of 15 years commencing from COD, with the total bid project cost of ₹1436 Crore excluding O&M cost. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

The financial closure has been achieved and NHAI has declared the appointed date from 19.01.2023. The project is in execution phase and likely to be completed by July, 2025.

IrconBMEL has entered into loan agreement for ₹823.39 Cr from Bank of Baroda however till date the sanctioned facility has not been availed.

### 10. IRCON HARIDWAR BYPASS LIMITED (IrconHBL)

IrconHBL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on January 13, 2022, and obtained certificate of Commencement of Business on January 19, 2022. The main object of IrconHBL is "to carry the business of Upgradation and Four-Laning of Haridwar Bypass Package-1 From Km.0+000 (Km 188+100 of NH-58) to Km. 15+100 (km 5+100 of NH 74) in the State of Uttarakhand on Hybrid Annuity Mode (HAM) in accordance with the terms of concession agreement with National Highways Authority of India (NHAI).

IrconHBL has entered into Concession Agreement with NHAI on March 8, 2022. The concession period of the project comprises of construction period of 730 days from the Appointed Date (to be fixed by NHAI) and operation period of 15 years commencing from COD, with the total bid project cost of ₹861 Crore excluding O&M cost of ₹2.0 Cr per annum. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

The financial closure has been achieved and NHAI has declared the appointed date from 31.10.2022. The project is in execution phase and likely to be completed by October, 2024.

IrconHBL has entered into a loan agreement of ₹447.61 Cr. from State Bank of India for partly financing the project.

### 11. IRCON RENEWABLE POWER LIMITED (IRPL)

IRPL, a subsidiary of IRCON incorporated on January 13, 2022 and obtained the Certificate of commencement of business on February 24, 2022. IRPL is incorporated as a joint venture (JV) and Special



## BOARD'S REPORT

Purpose Vehicle (JV-SPV) with equity participation by IRCON and Ayana Renewable Power Private Limited (Ayana) in the ratio 76:24, respectively. The main object of IRPL is "Setting up of 500 MW Grid Connected Solar Power Plant under the Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme)" floated by Indian Renewable Energy Development Authority (IREDA) ("the Project"). IRCON and Ayana has entered into Share Subscription and Shareholders' Agreement (SSHA) on December 13, 2021.

The project was awarded to IRCON by IREDA and is being executed by IRPL. The total project cost is ₹2578.99 Crore. The final Viability Gap Funding (VGF) amount for the Project is ₹44,94,000 per MW calculated in total to ₹224.70 Crore, which will be released in two tranches by IREDA i.e. (a) 50% on award of contract to the EPC Contractor (including in-house EPC Division) by the bidder (IRCON), for which EPC Contract has been executed with KEC International on 16<sup>th</sup> Dec 2022 and (b) the balance 50% on successful commissioning of the full capacity of the Project. All the supporting documents for the releasing of first tranche of VGF has been submitted to IREDA on 20<sup>th</sup> Dec 2022.

Land acquisition is under process and after close of the year, IRPL has executed contracts with various parties for acquisition of land. The site mobilization has been started and studies like geotech investigation, hydrology study, topography survey, test piling are also going on. Other activities such as engineering, procurement for power transformers, tracker MMS, inverter, items for pooling substation have been procured and other items are under process of procurement.

### B. JOINT VENTURE COMPANIES:

#### 1. IRCON-SOMA TOLLWAY PRIVATE LIMITED (ISTPL)

ISTPL is a Joint Venture Company promoted by Ircon International Limited (IRCON) and Soma Enterprise Limited (SOMA) a private sector Company was incorporated on April 19, 2005. It has equal equity participation. The main objective of the Company is undertaking Improvement, Operation & Maintenance, Rehabilitation and Strengthening of existing 2 lane road and widening to 4 - Lane divided carriageway on National Highway 3 (NH3) from Km 261+720 to Km379+878 on Build, Operate and Transfer basis in the State of Maharashtra. Subsequently in the year 2017-18, Soma Enterprises Limited has transferred its 6,38,69,999 shares to its associate company, Soma Tollways Private Limited (STPL) & held 1 (one) shares with Soma Enterprise Limited.

The project was completed in 2010-11 and since April, 2010 the Company is collecting toll form entire project stretch of 118.158 km. The concession period of 21 years is coming to an end on 31.03.2026.

#### 2. INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED (IRSDC)

IRSDC, a Joint Venture company with equity participation by IRCON and Rail Land Development Authority (RLDA) in the ratio of 51:49, respectively, was incorporated on April 12, 2012. IRSDC had obtained the certificate of commencement of business on May 09, 2012. The main object of IRSDC is to develop / re-develop the existing / new railway station(s) with enhanced level of passenger amenities through new constructions / renovations including re-development of existing station buildings, platform surfaces, circulating area, etc., to improve their standards and provide a better customer experience. In the FY 2017-18, the 1% equity stake of IRSDC was transferred by IRCON to RLDA, and it became 50:50 JV company of IRCON and RLDA. In the FY 2021-22, RITES was introduced as a third strategic partner / shareholder, and since then, the equity shareholding held by RLDA, IRCON and RITES is in the ratio of 50:26:24, respectively. The revised shareholders agreement was executed amongst the shareholders on May 21, 2020.

Ministry of Railways vide its letter dated October 18, 2021, has 'in-principle' decided for closure of IRSDC and to initiate the procedural formalities thereto. Accordingly, as on March 31, 2022, action has been taken by IRSDC to hand over Facility Management of five stations viz. Pune, Anand Vihar, Chandigarh, Secunderabad and Bengaluru to respective Zonal Railways, and handing over of other activities to RLDA has also been commenced. Transaction Advisors (M/s. IDBI Caps) have been appointed to oversee the process and provide technical and legal inputs to aid in the closure process of IRSDC. Action to address the contractual / other liabilities of IRSDC are under process. Due to decision of closure, as part of the closure activities, all assets and liabilities of IRSDC [other than its investment in its subsidiary companies viz., Gandhi Nagar Railway and Urban Development Corporation (GARUD) and Surat Integrated Transportation Development Corporation Limited (SITCO)] are to be transferred to Rail Land Development Authority (RLDA)/ MoR on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the BoD meeting of IRSDC. Closure related activities initiated in FY 2021-22 are yet to be completed. The Liquidation process shall commence on completion of these activities and

## BOARD'S REPORT

handing over of assets and liabilities to RLDA/ MoR. Financial statement of IRSDC has been prepared on liquidation basis. The Company does not foresee any impairment in the value of its investment as the Company's share in the reported Net Worth of IRSDC is ₹58.50 Crore i.e.26% of ₹225 Crore.

#### 3. CHHATTISGARH EAST RAILWAY LIMITED (CERL)

CERL, a Joint Venture company with equity participation by South Eastern Coalfields Limited (SECL), IRCON and Chhattisgarh State Industrial Development Corporation Limited (CSIDC) (nominee of Government of Chhattisgarh) in the ratio of 64:26:10, respectively, was incorporated on March 12, 2013. CERL had obtained the Certificate for Commencement of Business on May 07, 2013. The main object of CERL is development of coal connectivity corridor i.e. East Corridor (length 180 Km) in the State of Chhattisgarh. The project is being implemented on Build, Own, Operate, and Transfer (BOOT) model for PPP projects. The Shareholder Agreement between SECL, IRCON and CSIDC was executed on September 11, 2014.

This project is further divided into following two phases:

(A) CERL Phase-I-It extends from Kharsia to Dharamjaigarh including Spur Line from Gharghoda to Donga Mahua. The concession agreement for CERL Phase-I was signed with the Ministry of Railways on June 12, 2015. The financial closure of CERL-I has been achieved on November 24, 2017.

The various sections have been commissioned as follows:

1. Kharsia to Korichhapar (DN line: 0-42.569 km) of CERL Phase-I has been commissioned on October 12, 2019.
2. Korichhapar to Dharamjaigarh (DN line: 42.569 Km - 73.519 km) of CERL Phase-I has been commissioned on June 22, 2021.
3. SECR authorized opening of Gharghoda to Bhalumuda (CSB KM 34.090 - 13.873 km) of CERL Phase-I on 23.02.2022. The section has been commercially notified on 07.03.2022.
4. Chhal Feder line CSB Km 16.548 (CH. 0 for Feeder Line)- CERL Boundary, Km 8.429 (F/CHHAL) of CERL Phase-I has been commissioned on July 23, 2022.
5. Kharsia to Korichhapar (UP line: 0-42.569 km) of CERL Phase-I has been commissioned on September 12, 2022.
6. Baroud Feeder line CSB Km 42.569 (CH. 0 for Baroud Feeder Line)- CERL Boundary, Km 4.139

of CERL Phase-I has been commissioned on March 16, 2023.

7. The COD of the CERL Phase-I project is July, 23, 2022.

(B) CERL Phase-II - It extends from Dharmjaygarh to Korba. A revised Detailed Project Report (DPR) with GST implications of CERL Phase-II has been approved by Zonal Railways with inflated mileage of 60% on chargeable distance of 62.5 km for five years operation on June 12, 2018. The concession agreement for CERL Phase-II has been signed with the Ministry of Railways on March 15, 2022. CERL is in the process for availing term loan facility to the tune of ₹1349 Crore from Scheduled Commercial Banks/Financial Institutions for CERL Phase-II and the financial closure is in progress. It is targeted to complete the work for CERL Phase-II within 03 years after financial closure.

#### 4. CHHATTISGARH EAST-WEST RAILWAY LIMITED (CEWRL)

CEWRL, a Joint Venture company with equity participation by South Eastern Coalfields Limited (SECL), IRCON and Chhattisgarh State Industrial Development Corporation Limited (CSIDC) (a nominee of Government of Chhattisgarh) in the ratio of 64:26:10, respectively, was incorporated on March 25, 2013. The main object of CEWRL is development of coal connectivity corridor i.e. East-West Corridor (length 135 Km) in the State of Chhattisgarh. CEWRL had obtained the Certificate for Commencement of Business on May 07, 2013. The concession period of the project is 30 years from the appointed date including construction period of 3 years and 6 months. The Shareholder Agreement between SECL, IRCON and CSIDC was executed on April 09, 2021.

Detailed Project Report (DPR) was approved by Railways through its zonal Railway viz. South Eastern Central Railway with inflated mileage of 40% on chargeable distance of 135 km for five years as approved by the Ministry of Railways on June 15, 2017. Concession Agreement was entered between CEWRL and Ministry of Railways on July 01, 2018. CEWRL has availed the loan facilities for an amount of ₹3976 Crore from consortium of banks lead by State Bank of India (SBI) and financial closure has been achieved on September 04, 2020. As per the loan requirement, IRCON has given the Sponsor Support Undertaking for the equity contribution of 26% of the total equity requirement, to meet cost overrun, to service the debt upto the date of commercial operation date, etc. Complete Land for the Project has been acquired and tenders for civil works worth approx. ₹2100 Crore have been finalized and work



## BOARD'S REPORT

is in progress. The target date of completion of the work is December 2024.

### 5. MAHANADI COAL RAILWAY LIMITED (MCRL)

MCRL, a Joint Venture company with equity participation by Mahanadi Coalfields Limited (MCL), IRCON and Odisha Industrial Infrastructure Development Corporation (OIDCL) (a nominee of Govt. of Odisha) in the ratio of 64:26:10 respectively, was incorporated on August 31, 2015. The main object of MCRL is to build, construct, operate and maintain identified rail corridor projects that are critical for evacuation of coal from mines in the State of Odisha.

MCRL has signed project execution agreement with IRCON on April 19, 2016 and Angul-Balram-Putagadia-Jharpada-Tentuloi new rail corridor (68Km) has been identified for implementation. Detailed Project Report (DPR) of this project has been approved by Zonal Railways viz. East Coast Railway in January 2018. The Ministry of Railways has approved inflated mileage of 60% for the entire length of the project on June 11, 2018. The project has been approved as a special Railway project by the Ministry of Railways on October 23, 2018. The Concession Agreement between MCRL and Ministry of Railways has been executed on December 02, 2021.

Angul – Balaram section (14 Km) commissioned on 10.11.2022. Land acquisition for Phase II (54 Km.) is in progress. Sanction of Term Loan by Bank of Baroda is under finalization.

### 6. JHARKHAND CENTRAL RAILWAY LIMITED (JCRL)

JCRL, a joint venture company with equity participation of Central Coalfields Limited (CCL), IRCON and Government of Jharkhand (GoJ) in the ratio of 64:26:10, respectively, was incorporated on August 31, 2015. The main object of JCRL is to build, construct, operate and maintain identified rail corridor projects that are critical for evacuation of coal from mines in the State of Jharkhand.

JCRL had signed project execution agreement with IRCON on March 28, 2016. Ministry of Railways has granted in-principle approval for transfer of Shivpur-Kathautia New BG Electrified Rail Line Project to JCRL. Project chainage starts from Kathautia (0.000) to Shivpur (49.085) a total stretch of 49.085 Km. Detail Project Report (DPR) has been approved by East Central Railway. An inflated mileage of 60% on chargeable distance of 49.085 km has been approved by the Ministry of Railways for a period of 5 years

from C.O.D.. The Concession Agreement between JCRL and Ministry of Railways has been signed on December 4, 2018.

JCRL has achieved financial closure on May 05, 2022. The Company has availed loan facility amounting to ₹1259.75 Crore from PNB led consortium of banks and first disbursement amounting to ₹125.12 Crore was received in March' 2023.

Land acquisition has been completed; working permissions on forest land after deposition of NPV, CA and WMP amounts after obtaining Stage-I forest clearance has also been obtained. The project is under various stages of completion and expected date of completion of the project is June 04, 2025. The total CWIP of the project as on 31.03.2023 is 429.67 Cr against the total project cost of 1799.64 Cr.

### 7. BASTAR RAILWAY PRIVATE LIMITED (BRPL)

BRPL, a joint venture company with equity participation initially by NMDC Limited (NMDC), IRCON, Steel Authority of India Limited (SAIL) and Chhattisgarh Mineral Development Corporation (CMDC) (nominee of Government of Chhattisgarh) in the ratio of 43:26:21:10, respectively, was incorporated on May 05, 2016. Shareholders Agreement for BRPL was entered on January 20, 2016. The main object of BRPL is to build, construct, operate and maintain Rowghat to Jagdalpur (via Narayanpur, Kondagaon) new railway line, in the State of Chhattisgarh. The revised shareholders agreement was entered on May 25, 2018 wherein the shareholding pattern of NMDC, IRCON, SAIL and CMDC was revised to 52:26:12:10, respectively.

BRPL had signed project execution agreement with IRCON on July 19, 2017. Detailed Project Report (DPR) has been approved by Zonal Railways viz. South East Central Railway (SECR) in October 2017. The Ministry of Railways had approved inflated mileage of 50% for the entire length of the project on June 12, 2018. The Concession Agreement between BRPL and Ministry of Railways has been executed on September 27, 2018. Ministry of Railways (MoR) has granted in principle approval for closure of BRPL and transfer of its assets and liabilities to MoR. The legal formalities, pricing and related modalities are in process.

**The salient features of financial statements of subsidiary and joint venture companies as per the provisions of the Companies Act, 2013 are disclosed in the Form No AOC-1 annexed to the Financial Statements.**

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# CORPORATE GOVERNANCE REPORT

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**SEBI LODR**), the Companies Act, 2013 and Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 (**DPE Guidelines**) issued by Department of Public Enterprises (**DPE**), Ministry of Finance, Government of India. The Report contains details of Corporate Governance systems and processes at Ircon International Limited (**IRCON** or **the Company**).

IRCON, a 'Mini Ratna Category I Company', got listed on September 28, 2018 and has established a sound framework of Corporate Governance.

Corporate Governance is the application of best management practices, compliance of laws & adherence of ethical standards to achieve the Company's objective of enhancing stakeholders' value and discharging of social responsibility.

We believe that Corporate Governance is about maintaining valuable relationship and trust with all stakeholders with the commitment to maximise their value. Our commitment towards following good Corporate Governance practices is based upon transparency, fairness, conscience, teamwork, professionalism and accountability. This paves the way for following the best standards and building confidence among our stakeholders, which is necessary to achieve our objectives.

## 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

IRCON believes in promoting the principles of sound Corporate Governance, and its essential character is shaped by a high standard of transparency, trust and integrity, performance orientation, responsibility, accountability, professionalism, social responsiveness and ethical business practices. It has always believed

in creating a framework of best policies, practices, structures and ethics in the organisation. Corporate Governance has indeed been an integral part of the way we have done business for several years. IRCON's Team subscribes to the corporate values and imbibes them in their conduct regularly.

The Code of Corporate Governance of the Company is "To Be Professional, Profitable, Transparent, and Accountable with excellence in every sphere of activity of the Company."

The Key Values of the Company formally adopted by the Board of Directors are:

- Constructive approach
- Working as a team
- Excellence in performance
- Probity in work and dealings
- Being responsible and accountable

## 2. BOARD OF DIRECTORS

The Board of Directors is the highest governance body of IRCON. The Board of Directors consists of professionals drawn from diverse fields having rich knowledge and experience in the industry and related sectors for providing strategic guidance and directions to the Company. At IRCON, we believe that the Board of the Company consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions are aligned with the Company's best interests. The Company has defined guidelines and an established framework for the meetings of the Board and its Committees. These guidelines seek to systematise the decision-making process at the meetings of the Board and Committees in an informed and efficient manner.

Pursuant to Section 2(45) of the Companies Act, 2013, IRCON is a 'Government Company' as



## CORPORATE GOVERNANCE REPORT

73.18% of its paid-up share capital is held by the Central Government/ Government of India (GoI) through the President of India and the power to appoint Directors vests with the President of India through Administrative Ministry i.e. Ministry of Railways (MoR).

As on March 31, 2023, the Company has ten directors of which four are whole-time directors [Chairman & Managing Director, Director (Finance), Director (Works) and Director (Projects) (additional charge)], two Government Nominee Directors and four Independent Directors.

The Chairman is an Executive Director therefore, half of the Board should comprise of Independent Directors. As the power to appoint the directors on the Board of IRCON vests with the President of India, the Company from time-to-time requests MoR to

appoint requisite number of Independent Directors (including Woman Director) and also Government Nominee Director on the Board.

During the FY 2022-23, the Company was having an optimum combination of Executive / Functional Directors and Non-Executive Directors with at least one woman director. However, the Composition of the Board was not in compliance with the SEBI LODR requirements, as Chairman of the Company is Executive Director therefore, at least half of the board of directors should comprise of independent directors, however as on March 31, 2023, instead of 6, the Company is having only 4 Independent Directors. As on March 31, 2023, two posts of Independent Directors are vacant and MoR is already requested for appointment of requisite number of Independent Directors on the Board of IRCON.

### 2.1 CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION AND DIN DURING THE FY 2022-23

Category, Name & Designation	DIN	Appointment or Cessation (during the year, if any)
<b>Whole-time (Functional) Directors – Executive</b>		
Shri Yogesh Kumar Misra Chairman & Managing Director and CEO@	07654014	-
Smt. Ragini Advani Director (Finance)	09575213	Appointed as Director (Finance) w.e.f. 19.04.2022
Shri Parag Verma Director (Works)	05272169	Appointed as Director (Works) w.e.f. 21.09.2022
Shri Sandeep Jain Director (Projects) (additional charge) #	09435375	Appointed as Director (Projects) w.e.f. 12.01.2023
Shri Shyam Lal Gupta Director (Projects)	07598920	Ceased to be Director (Projects) w.e.f. 31.12.2022
Shri Mohit Sinha Director (Finance)*	00843548	Ceased to be Director (Finance) w.e.f. 19.04.2022
<b>Government Nominee [Part-time (Official)] Directors – Non-Executive</b>		
Shri Brijesh Kumar Gupta\$	10092756	Appointed as Nominee Director w.e.f. 29.03.2023
Shri Dhananjaya Singh	08955500	-
Shri Rajesh Argal	09171980	Ceased to be Nominee Director w.e.f. 31.07.2022
Shri Ram Prakash	09746225	Appointed as Nominee Director w.e.f. 23.09.2022 Ceased to be Nominee Director w.e.f. 31.01.2023
<b>Independent [Part-time (Non-Official)] Directors – Non-Executive</b>		
Shri Ajay Kumar Chauhan	09394953	-
Shri Dipendra Kumar Gupta	09398271	-
Smt. Ranjana Upadhyay	07787711	-
Dr. Kartik Chandulal Bhadra	09453387	-

## CORPORATE GOVERNANCE REPORT

- @ Shri Yogesh Kumar Misra, Chairman & Managing Director and CEO – IRCON, relinquished the charge of the post of Chairman & Managing Director (CMD) & CEO w.e.f. April 29, 2023, hence he ceased to be CMD and CEO of the Company. He was holding additional charge of Director (Works) upto September 21, 2022.
- # Shri Sandeep Jain, IRSE, Executive Director Planning (Civil & PSU) – Railway Board, has entrusted with the additional charge of Director (Projects) w.e.f. January 12, 2023 and ceased to be Director (Projects) (additional charge) on July 07, 2023, due to relinquishment of charge on appointment of regular incumbent to the post of Director (Projects). Shri Anand Kumar Singh (DIN: 07918656), IRSE on selection by PESB has been appointed as Director (Projects) (Additional Director) w.e.f. July 07, 2023.
- \* Shri Mohit Sinha, IRAS, Additional Member (Revenue), Railway Board, was entrusted with the additional charge of Director (Finance) w.e.f. December 3, 2021.
- \$ Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board and Government Nominee (Part-Time Official) Director, IRCON has assumed the additional charge of Chairman & Managing Director and CEO, IRCON in addition to his own duties on April 29, 2023 until further orders of Ministry of Railways.

### 2.2 BOARD COMPOSITION, CATEGORY OF DIRECTORS, DETAILS OF DIRECTORSHIP IN OTHER COMPANIES AND MEMBERSHIP / CHAIRMANSHIP IN BOARD COMMITTEE(S) AS ON 31ST MARCH 2023

Sr. No.	Category & Name of Directors	No. & Name of Directorships in Other Companies <sup>1</sup>	No. and Names of the Board Committee(s) in other companies of which director is a Member/ Chairperson <sup>2</sup>	No. of shares held
<b>Whole-time (Functional) Directors – Executive</b>				
1	Shri Yogesh Kumar Misra	-	-	3,000
2	Smt. Ragini Advani	<b>Part-time (Nominee) Director in:</b> 1. Chhattisgarh East-West Railway Limited 2. Chhattisgarh East Railway Limited 3. Jharkhand Central Railway Limited 4. Mahanadi Coal Railway Limited 5. Bastar Railway Private Limited	-	-
3	Shri Parag Verma	1. Ircon Infrastructure & Services Limited – Chairman <b>Part-time (Nominee) Director in:</b> 2. Indian Railway Stations Development Corporation Limited 3. Ircon Vadodara Kim Expressway Limited 4. Ircon Gurgaon Rewari Highway Limited 5. Ircon Akloli-Shirsad Expressway Limited 6. Ircon Ludhiana Rupnagar Highway Limited 7. Chhattisgarh East-West Railway Limited 8. Chhattisgarh East Railway Limited 9. Jharkhand Central Railway Limited	Indian Railway Stations Development Corporation Limited - Audit Committee – Chairman	10,500
4	Shri Sandeep Jain	<b>Part-time (Nominee) Director in:</b> 1. Rites Limited (Listed Company) 2. Jharkhand Rail Infrastructure Development Corporation Limited 3. Maharashtra Metro Rail Corporation Limited	Rites Limited – Stakeholders Relationship Committee – Member	-



## CORPORATE GOVERNANCE REPORT

Sr. No.	Category & Name of Directors	No. & Name of Directorships in Other Companies <sup>1</sup>	No. and Names of the Board Committee(s) in other companies of which director is a Member/ Chairperson <sup>2</sup>	No. of shares held
<b>Government Nominee (Part-time (Official) Directors – Non-Executive)</b>				
5	Shri Brijesh Kumar Gupta	-	-	-
6	Shri Dhananjaya Singh	<b>Government Nominee Director in:</b> 1. Rail Vikas Nigam Limited – Listed Company 2. Pipavav Railway Corporation Limited 3. Kerala Rail Development Corporation Limited 4. Kolkata Metro Rail Corporation Limited 5. Uttar Pradesh Metro Rail Corporation Limited	Rail Vikas Nigam Limited – Stakeholders Relationship Committee – Member  Kolkata Metro Rail Corporation Limited - Audit Committee – Member	-
<b>Independent [Part-time (Non-Official)] Directors – Non – Executive</b>				
7.	Shri Ajay Kumar Chauhan	Nil	Nil	Nil
8.	Shri Dipendra Kumar Gupta	Nil	Nil	Nil
9.	Smt. Ranjana Upadhyay	Nil	Nil	Nil
10.	Dr. Kartik Chandulal Bhadra	Nil	Nil	Nil

### Foot Notes:

- Number of Directorships held excludes Foreign Companies and Section 8 Companies, if any.
- This includes chairmanship/membership of Audit Committee and Stakeholders Relationship Committee in other Companies.  
No Director of the Company is a member in more than ten (10) Committees or acts as Chairperson of more than five (5) Committees across all companies in which he/she is a director.
- None of the Directors on the Board hold directorships, including alternate directorships at the same time in more than twenty (20) Companies/ Ten (10) public limited companies.
- None of the Director holds directorship in more than seven (7) listed entities. Further, none of the Directors serves as an independent director in more than seven (7) listed entities.
- None of the whole-time director/managing director serves as an independent director in any listed entities.
- No relationship exists between directors inter-se. Shri Dhananjaya Singh and Shri Brijesh Kumar Gupta, Government Nominee (Part- Time Official) Directors are the officials from the MoR and thus related to the promoter, though no personal relationship exists between them nor with the Company.

### 2.3 BOARD MEETINGS AND AGM HELD DURING FY 2022-23:

During FY 2022-23, the Board of Directors of the Company met eight (8) times. Details of the Board Strength and number of directors attended the Board Meetings are mentioned below. None of the Board Meeting was held with a gap of more than 120 days / three months.

## CORPORATE GOVERNANCE REPORT

Date of Meeting	Board Strength	No. of Directors Present
26.04.2022	9	8
27.05.2022	9	9
22.07.2022	9	9
08.08.2022	8	8
23.09.2022	10	10
11.11.2022	10	9
31.12.2022	10	10
08.02.2023	9	8

The table below shows attendance of the Board members at the Board Meetings held during the FY 2022-23 and in the last Annual General Meeting (AGM):

Name of Director	Meeting date							Total Board meetings held during the tenure	No. of Board meetings attended	% of Attendance in Board Meeting	Whether attended last AGM held on 16.09.2022
	26.04.2022	27.05.2022	22.07.2022	08.08.2022	23.09.2022	11.11.2022	31.12.2022				
Shri Yogesh Kumar Misra	✓	✓	✓	✓	✓	✓	✓	8	8	100	✓
Smt. Ragini Advani	✓	✓	✓	✓	✓	✓	✓	8	8	100	✓
Shri Parag Verma	-	-	-	-	✓	✓	✓	4	4	100	NA
Shri Sandeep Jain	-	-	-	-	-	-	✓	1	1	100	NA
Shri Shyam Lal Gupta	✓	✓	✓	✓	✓	✓	-	7	7	100	✓
Shri Mohit Sinha	-	-	-	-	-	-	-	-	-	-	NA
Shri Brijesh Kumar Gupta	-	-	-	-	-	-	-	-	-	-	NA
Shri Dhananjaya Singh	✓	✓	✓	✓	✓	✗	✓	8	6	75	✓
Shri Rajesh Argal	✗	✓	✓	-	-	-	-	3	2	67	NA
Shri Ram Prakash	-	-	-	-	✓	✓	✓	3	3	100	NA
Shri Ajay Kumar Chauhan	✓	✓	✓	✓	✓	✓	✓	8	8	100	✓
Shri Dipendra Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	8	8	100	✓
Smt. Ranjana Upadhyay	✓	✓	✓	✓	✓	✓	✓	8	8	100	✓
Dr. Kartik Chandulal Bhadra	✓	✓	✓	✓	✓	✓	✓	8	8	100	✓

### 2.4 BOARD MEMBERSHIP CRITERIA

IRCON is an Engineering & Construction Company, and the key qualifications required by the Board are in the field of Civil Engineering, Finance, Technology, Marketing, and Global Business.

A table summarising the key qualifications, skills, expertise and attributes of the Directors of IRCON, as approved by the Board of Directors, subject to approval by the MoR is given below. The desired qualifications, expertise, skill etc. of the Directors are subject to modifications/ alterations / changes by the DPE/ Public Enterprises Selection Board (PESB) and/or MoR and the qualifications of Independent Directors are also subject to identification by the DPE.

The requisite skills/ expertise/ competence required by the Directors are included in the table:



## CORPORATE GOVERNANCE REPORT

SN.	Category of the Director	Required Expertise/Skill
<b>1. Whole-time (Functional) Directors – Executive</b>		
i)	Chairman & Managing Director	<b>Mandatory:</b> At least a graduate from a recognised university with a good academic record and adequate experience at a senior level of management in a large organisation of repute. <b>Desirable:</b> Degree in Civil Engineering/Technical/MBA qualification and familiarity with Finance/ Marketing/ Projects. Experience of infrastructure projects, especially railway projects, techniques of organisational planning and manpower development in the railway industry.
ii)	Director (Projects)	<b>Mandatory:</b> A graduate in Civil Engineering with a good academic record from a recognised University/Institution. Adequate technical/ operational/ project management experience in the Railway Sector. <b>Desirable:</b> Preferably holding MBA/ Technical qualifications.
iii)	Director (Works):	<b>Mandatory:</b> A graduate in Civil Engineering with a good academic record from a recognised University/Institution. Adequate technical/ operational/ project management experience in Infrastructure projects, including roads/highways. <b>Desirable:</b> Preferably holding MBA/ Technical qualifications.
iv)	Director (Finance)	<b>Mandatory:</b> (i) Chartered Accountant or Cost Accountant or a full-time MBA/PGDM (with specialisation in Finance) course with a good academic record from a recognised University/ Institution with adequate experience at a senior level in an organisation of repute. (ii) Officers of Organised Group 'A' Accounts Services level working at an appropriate level are exempted from minimum qualification as per (i). (iii) Officers of Central Government/Armed Forces of the Union/All India Services with adequate and relevant experience are exempted from the minimum qualification as per above (i). Adequate experience at a senior level in Corporate Financial Management and Accounts, including cost, budgetary control, institutional finance, working capital management.
2.	<b>Government Nominee [Part-time (Official)] Directors – Non-Executive – (2 Directors)</b>	As may be decided by the GoI (MoR).
3.	<b>Independent Directors [Part-time (Non-Official) Director – Non-Executive – (6 Directors)]</b>	As may be decided by the GoI (MoR).

The functional directors, government nominee directors and independent directors of the Company during the Financial Year 2022–23 possess the requisite skill / expertise / competences as decided by the PESB, GoI.

Considering the industry sector and other managerial skills, as on March 31, 2023, Directors of IRCON possess the following expertise and skills

## CORPORATE GOVERNANCE REPORT

Name of the Directors	Area of expertise and skills							
	Industry Knowledge & Experience	Financial Management	Corporate Planning & Management Strategy	Leadership	Techno-logical Knowledge	Board Practices and Governance	Business Develop-ment	Global Outlook
<b>Functional Directors:</b>								
Shri Yogesh Kumar Misra Chairman & Managing Director and CEO	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Ragini Advani Director (Finance)	✓	✓	✓	✓	✓	✓	✓	✓
Shri Parag Verma Director (Works)	✓	✓	✓	✓	✓	✓	✓	✓
Shri Sandeep Jain Director (Projects)	✓	✓	✓	✓	✓	✓	✓	✓
<b>Government Nominee Directors:</b>								
Shri Brijesh Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓
Shri Dhananjaya Singh	✓	✓	✓	✓	✓	✓	✓	✓
<b>Independent Directors:</b>								
Shri Ajay Kumar Chauhan	✓	✓	✓	✓	✓	✓	✓	✓
Shri Dipendra Kumar Gupta	-	-	-	✓	✓	✓	✓	✓
Smt. Ranjana Upadhyay	-	✓	-	✓	✓	✓	✓	✓
Dr. Kartik Chandulal Bhadra	-	-	-	✓	✓	✓	✓	✓

Expertise and Skills of the Directors are available on the website of the Company i.e., [www.ircon.org](http://www.ircon.org).

### 2.5 INFORMATION TO BE PLACED BEFORE THE BOARD OF DIRECTORS:

The quantum and quality of information supplied by the Management to the Board goes well beyond the requirement stipulated in the SEBI LODR as amended from time to time. The information being provided to the Board inter-alia includes the following:

- Quarterly/Half-yearly and Annual Financial Results of the Company.
- Minutes of the Audit Committee meetings, Board meetings and other committee meetings.
- Minutes of the Board meetings of the Subsidiary Companies.
- Capital and Revenue Budgets, along with any changes.
- Particulars of Related Party Transactions.
- Writing off of Bad Debts.

- Sale of material nature of investments, subsidiaries, assets.
- Information regarding major investments, incorporation of new subsidiaries and Joint Ventures, and Strategic Alliances.
- Any changes in significant accounting policies.
- Compliance of various laws by the Company.
- Major orders secured and bids lost.
- Disclosure of interests made by Directors to the Company.
- Action Taken Report on the previous decisions made by the Board.
- Compliance/ Reports submitted with Stock Exchanges under SEBI LODR.
- All other information required to be presented to the Board for information, approval and review.



## CORPORATE GOVERNANCE REPORT

### 2.6 NEW DIRECTORS APPOINTED/ RE-APPOINTED DURING FY 2022-23:

**a. Smt. Ragini Advani [DIN: 09575213] - (from April 19, 2022):**

Ms. Ragini Advani, is a Chartered Accountant and Cost Accountant by qualification with about 25 years of post-qualification experience in Finance. She is a rank holder in both Chartered Accountancy and Cost Accountancy exams. Before joining IRCON, Ms. Advani has worked as GM (F&A) with Engineers India Limited (EIL), a technical consultancy CPSE in oil & gas sector and was in-charge of accounting & dealt with C&AG / statutory auditors, concurrence of all marketing proposals and marketing finance, billing & related matters, budgeting & MIS and business development proposals. She was also part of Chairman Office for 2 years and also held additional charge of Company Secretariat department for almost a year in EIL. Her previous experience was with NTPC SAIL Power Company Private Limited (NSPCL) and KPMG. She has rich and varied experience in Corporate Finance which includes dealing with valuations, mergers /demergers and acquisitions, financial restructuring, treasury management, arranging loan financing, corporate planning & budgeting, commercial billing and purchase of coal through e-auction, regular MIS, dealing with CAG, dealing with CERC for finalisation of tariff orders and signing long term PPAs. Ms. Advani has also been subject matter expert / mentor for 'in-house' senior management programmes of EIL in respect of finance matters.

**b. Shri Parag Verma [DIN: 05272169] - (from September 21, 2022):**

Shri Parag Verma joined IRCON in the year 1991. Shri Verma is a post graduate in Engineering with more than 31 years of experience, of working on national and international infrastructure projects. His core strength lies in project planning, estimation and conceptualisation and structuring of the projects and its execution. He has the experience of establishing wholly owned subsidiary and JV companies for parent organisation to take up the specialised projects. He was instrumental in the development of the whole concept of station development program on PPP model in India and was instrumental in awarding first project of station development on Indian Railways on PPP model which has been successfully inaugurated by Hon'ble PM. In his current role he is looking after the Highway,

Building & Real Estate and Business Development in domestic and international market. He is not only responsible for maintaining healthy order book of company by bagging national and international infrastructure projects either on EPC, Item Rate, PPP model but their execution also. Under his guidance BD team has achieved the highest value of new order through open competitive bidding. Work in New sectors of high speed railway, ballast less slab track and highway tunnel large bridges have been secured by IRCON.

**c. Shri Sandeep Jain [DIN: 09435375] - [from January 12, 2023]:**

Shri Sandeep Jain holds a bachelor's degree in Civil Engineering from NIT, Jaipur.

He belongs to Indian Railways Service of Engineers (IRSE) of 1992 batch and held various positions i.e. AEN, DEN, Sr. DEN, Dy. Chief Engineer/ Track Supply, Sr. DEN/ Coord., Dy. Chief Engineer (Construction), CGM/ IRCON. He has rich and wide experience of more than 29 years of handling Railway maintenance, construction projects and administration. Presently, he is working as Executive Director Planning (Civil & PSU), Railway Board since October, 2021.

**d. Shri Brijesh Kumar Gupta [DIN: 10092756] [from March 29, 2023]:**

Shri Brijesh Kumar Gupta is Chairman & Managing Director and CEO of the Company. He holds a Bachelor Degree in Civil Engineer (B.E. - Civil) from Madhav Institute of Technology and Science (MITS), Gwalior and Post Graduate Degree (M.Tech) in Applied Mechanics from IIT, Delhi.

He belongs to Indian Railway Services of Engineers (IRSE) of 1985 batch. He is also Member of Indian Institute Permanent Way Engineers (IIPWE), New Delhi. He has been trained in Strategic Management Programme in Carnegie Mellon University, Pittsburg, USA in October 2018; and Leadership Programme in SDA Bocconi Business School, Milan, Italy in July, 2017.

He is presently working as Additional Member (Civil Engineer), Railway Board. He has over 37 years of enriched and varied experience in Railways, especially in execution and management of Railway Projects. He held various important and challenging posts in Railways such as Chief Administrative Officer

## CORPORATE GOVERNANCE REPORT

(Const.), [North Western Railway, Jaipur & East Coast Railway, Bhubaneswar], Chief Safety Officer [West Central Railway, Jabalpur], Divisional Railway Manager [Central Railway, Nagpur].

He is recipient of prestigious award of Railway Minister's Civil Engineering Construction shield consecutively for 2020-21 & 2021-22 while working as CAO/C/North Western Railway, Jaipur and Zonal Safety Shield in 2013-14 and 2014-15 while working as Chief Safety Officer, West Central Railway, Jabalpur. During his two years of tenure as Divisional Railway Manager, Nagpur Division was adjudged as best division in Central Railway in both the years. Further, he is awarded at Ministry of Railways level as a member of team for Excellent work in completing Gauge conversion of Jodhpur - Jaisalmer (300 Kms.) section in record time in 1994-95 while working as Dy. Chief Engineer/ Construction/Jodhpur.

**e. Shri Ram Prakash [DIN: 09746225] - (from September 23, 2022 to January 31, 2023):**

Shri Ram Prakash, 59 years, has done BE in Electrical Engineering from IIT Roorkee in 1984. He joined Indian Railways as IRSEE 1984 batch.

At the time of joining IRCON, he was working in Railway Board as Additional Member. He has a vast experience in operation, maintenance, design and manufacturing of Electric Locomotives and electric multiple units (EMU). He held various important and challenging posts in Railways during his 36 years of service. He has worked as ADRM (Additional Divisional Railway Manager)/Sealdah, Chief Electric Loco Engineer/ Eastern Railway, Chief Electrical Engineer/Construction/ER, Chief Safety Officer/ ER, Principal Chief Electrical Engineer / CLW (Chittaranjan Locomotive Works), Principal Executive Director/ Traction Installation/RDSO (Research Design Standards Organisation) before joining as Additional Member in Railway Board.

He has also served the Territorial Army for 26 years. He was Commanding officer of 969 Rly Engr Regt.

He is recipient of prestigious national level Minister's award for record out-turn at Kanchrapara workshop/ER in the year 1998 while working as Dy Chief Electrical Engineer/ Kanchrapara. CLW became the highest Electric Locomotive manufacturing unit during his

tenure as Principal Chief Electrical Engineer / CLW and CLW name featured in the 'Limca Book of Records' for highest production of Electric Locomotives in 2018-19.

Detailed profile of all the existing Directors can be viewed on the website at [www.ircon.org](http://www.ircon.org)

### 2.7 DETAILS OF REASONS FOR THE RESIGNATION OF INDEPENDENT DIRECTORS, IF ANY:

During FY 2022-23, none of the Independent Directors resigned or vacated their office before the expiry of their tenure.

### 2.8 BOARD INDEPENDENCE

During the FY 2022-23, all the Independent Directors have given the declaration that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and SEBI LODR, as amended from time to time which has been taken on record by the Board at their meeting.

### 2.9 FAMILIARISATION PROGRAMME / TRAINING FOR BOARD MEMBERS:

The Company has framed a training policy for its directors, which aims at honing leadership qualities and providing a platform to share the knowledge, skills and expertise gained by the Directors. They are also provided documents about the Company which includes the Company's Profile, Memorandum and Articles of Association, Brochure, Annual Report, MoU targets and achievements, a paper on "Ethics & Governance"-a perspective by CVC, and Board approved policies, DPE Guidelines and CSR & Sustainability Policy, terms of reference of all Committees of Board. Along with this, the Company also provides with information on provisions on duties, responsibilities, disqualification of Directors under SEBI LODR, DPE Guidelines and the Companies Act, 2013 and any other law as required.

The Company familiarises the Independent Directors with the activities and functioning of the Company and their roles, rights and responsibilities, nature of the industry in which the Company operates and the business model etc., through various programmes and presentations. The details of such familiarisation programmes are disclosed on the Company's website '[www.ircon.org](http://www.ircon.org)' at web link [https://ircon.org/images/DETAILS\\_OF\\_FAMILIARIZATION\\_PROGRAMMES\\_1.pdf](https://ircon.org/images/DETAILS_OF_FAMILIARIZATION_PROGRAMMES_1.pdf)

## 3. BOARD COMMITTEES

In compliance with requirements under Regulation 17 of the SEBI LODR, Companies Act, 2013, DPE



## CORPORATE GOVERNANCE REPORT

Guidelines and other requirements, the Board of Directors has constituted the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility & Sustainability Committee
- Project Progress Review Committee.

The Chairperson of the Board /Committees, in consultation with the Company Secretary determines the frequency of the meetings of the Board / Committees. The recommendations of the Committees are submitted to the Board for approval.

### 3.1 AUDIT COMMITTEE

#### 1. COMPOSITION, MEETING AND ATTENDANCE

The composition, quorum, role, terms of reference, scope etc. of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, read with Rule 6 and 7 of the Companies (Meetings of the Board and its Power) Rules, 2014, Regulations 18 and 24(2) of the SEBI LODR and Chapter 4 of the DPE Guidelines as amended from time to time.

The Committee has been reconstituted as and when there has been a change in directors. The composition of Audit Committee during the year was as follows:

From 01.04.2022 till 31.07.2022	From 01.08.2022 till 31.03.2023
<b>Chairperson</b>	
Shri Ajay Kumar Chauhan Independent Director	Shri Ajay Kumar Chauhan Independent Director
<b>Members</b>	
Shri Rajesh Argal Govt. Nominee Director	Smt. Ranjana Upadhyay Independent Director
Smt. Ranjana Upadhyay Independent Director	Shri Dhananjaya Singh Govt. Nominee Director
-	Shri Kartik Chandulal Bhadra Independent Director (from 01.11.2022 to 30.11.2022)

Ms. Ritu Arora, Company Secretary, is the Secretary to the Audit Committee.

During FY 2022-23, the Audit Committee met Eight (8) times. Items discussed / approved by the Audit Committee inter-alia include Quarterly & Annual Financial Results/ Statements, Capital Budgets, Investment into subsidiaries/joint ventures, Related Party Transactions, Internal Financial Controls, Change in Accounting Policy, Cost Audit Report, Internal Audit Framework, reports under SEBI PIT, review of arbitration and litigation matters, C&AG Paras etc.

Details of the number of meetings of the Audit Committee held and attendance details for the FY 2022-23 are mentioned below:

Name of Member	Meeting Date								Total meetings held during the tenure	No. of meetings attended
	26.04.2022	26.05.2022 & 27.05.2022	22.07.2022	28.07.2022	08.08.2022	23.09.2022	11.11.2022	08.02.2023		
Shri Ajay Kumar Chauhan	✓	✓	✓	✓	✓	✓	✗	✓	8	7
Shri Dhananjaya Singh	-	-	-	-	✓	✓	✗	✗	4	2
Shri Rajesh Argal	✗	✓	✓	✓	-	-	-	-	4	3
Smt. Ranjana Upadhyay	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Dr. Kartik Chandulal Bhadra (Co-opted Member)	-	-	-	-	-	-	✓	-	1	1

Shri Ajay Kumar Chauhan, Chairperson of the Audit Committee was present at the Annual General Meeting held

## CORPORATE GOVERNANCE REPORT

on September 16, 2022 to answer the queries of the shareholders.

The above meetings of Audit Committee were also attended by Company Secretary as the Secretary to the Committee, Director (Finance) and Chief Financial Officer as permanent invitees. Further, CGM (Finance), Internal Auditor, Statutory Auditors and Cost Auditors, and Functional Heads as special invitees, were also invited subject to their requirement and attended the meetings to provide necessary inputs to the Audit Committee. The recommendations of the Audit Committee were accepted by Board of Directors during the financial year 2022-23.

#### 2. TERMS OF REFERENCE

The terms of reference of the Audit Committee specified by the Board are in conformity with the of Regulations 18 and 24(2) of SEBI LODR and Regulation 9A (4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT), Section 177 of the Companies Act, 2013, Chapter 4 of the DPE Guidelines as amended from time to time. The terms of reference are as follows:

##### A. Financial Statements:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications / modified opinion(s) in the draft audit report, if any;

viii. Reviewing Management Discussion and Analysis of financial condition and results of operations;

- Reviewing, with the management, the quarterly financial results and Auditors Report thereon before submission to the Board for approval.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, to review the statement of deviation(s), in terms of Regulations 32(1) and (7) of SEBI LODR and making appropriate recommendations to the Board to take up steps in this matter.

##### B. Auditor and Internal Control:

- Recommendation to the Board for fixation of remuneration of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing the appointment, removal and terms of remuneration of the internal auditor;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems; reviewing & monitoring the auditor's independence & performance and effectiveness of the audit process;
- Discussions with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- Discussions with the Statutory Auditors/Internal Auditors periodically about internal control systems including reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Evaluation of internal financial controls and risk management systems.



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14. Reviewing the findings of any internal investigations by the internal auditors/ auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.

### C. Related Party Transactions:

15. Approval or any subsequent modification of transactions of the Company with related parties; and other approvals required as per the Related Party Transactions Policy of the Company.

### D. C&AG Audit / COPU:

16. Review the follow-up action taken on the audit observations of the C&AG audit and Committee on Public Undertakings (COPU) of the Parliament.

### E. Subsidiary Company:

17. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

18. Reviewing the financial statements and in particular the investments made by the unlisted subsidiary.

### F. Others:

19. Scrutiny of inter-corporate loans and investments.

20. Valuation of undertakings or assets of the company, wherever it is necessary.

21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment

of declared dividends) and creditors.

22. To review the functioning of the whistle blower mechanism and to protect whistle blowers.

23. Reviewing, after the close of the financial year, the compliance with respect to the provisions of SEBI PIT to verify that the systems for internal control are adequate and are operating effectively.

24. The Audit Committee shall have authority to investigate any activity within its terms of reference and for this purpose seek information from any employee, obtain outside legal or other professional advice (subject to the approval of the Board of Directors) and have full access to the information contained in the records of the Company, secure attendance of outsiders with relevant expertise, if it considers necessary.

25. Any other work as may be decided by the Board; and as may be required under any other amendment in the Companies Act, 2013 or DPE Guidelines, or SEBI LODR or any other SEBI Rules and Regulations, made from time to time.

## 3.2 NOMINATION AND REMUNERATION COMMITTEE (NRC)

### 1. Composition, Meeting and Attendance:

The composition, terms of reference, quorum, and the scope of Nomination & Remuneration Committee (NRC) are in accordance with the Companies Act, 2013, SEBI LODR and DPE Guidelines as amended from time to time.

The Committee has been reconstituted as and when there has been a change in directors. The composition during the year was as follows:

From 01.04.2022 till 31.07.2022	From 01.08.2022 till 31.03.2023
<b>Chairperson</b>	
Shri Ajay Kumar Chauhan Independent Director	Shri Ajay Kumar Chauhan Independent Director
<b>Members</b>	
Shri Rajesh Argal Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director
Shri Dipendra Kumar Gupta Independent Director	Shri Dipendra Kumar Gupta Independent Director

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

During FY 2022-23, five (5) meetings of the Nomination & Remuneration Committee were held. Details of the number of meetings of the NRC held and attendance details for the FY 2022-23 are mentioned below:

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Name of Director	Meeting date					Total meetings held during the tenure	No. of meetings attended
	26.04.2022	19.05.2022	13.06.2022	28.10.2022	07.02.2023		
Shri Ajay Kumar Chauhan	✓	✓	✓	✓	✓	5	5
Shri Dhananjaya Singh	-	-	-	✓	✓	2	2
Shri Rajesh Argal	x	✓	✓	-	-	3	2
Shri Dipendra Kumar Gupta	✓	✓	✓	✓	✓	5	5

Shri Ajay Kumar Chauhan, Chairperson of the Nomination & Remuneration Committee was present at the Annual General Meeting held on September 16, 2022 to answer queries of the shareholders.

### 2. TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee (NRC) include the areas specified by SEBI LODR, Section 178 of the Companies Act, 2013, DPE Guidelines as amended from time to time [except for the matters related with the Directors as the same have been exempted for the government companies under the Companies Act, 2013 as well as by SEBI vide its letter dated April 02, 2018 to IRCON].

The terms of reference of the Nomination and Remuneration Committee are as follows:

- To decide and approve the annual bonus/ variable pay pool/ performance-related pay and policy for its distribution across executives and non-unionised supervisors within limits prescribed in the DPE Guidelines.
- To review the policies for the selection and removal of persons in Senior Management and other employees as per DPE and other Government Guidelines and recommend the same for approval to the Board.
- To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To recommend to the Board of Directors a policy relating to the remuneration, in whatever form, for the key managerial personnel, senior management and other employees.
- To carry out any other functions as may be included under the Companies Act 2013, or DPE Guidelines, or SEBI LODR.

Explanation: "Senior Management" shall

mean officers/ personnel of the Company who are members of its core management team excluding Board of Directors and shall include all members one level below the Chief Executive Officer/ Managing Director/ Whole-time Director/ Manager (including CEO / Manager, in case they are not part of the Board) and specifically includes Company Secretary and Chief Financial Officer (CFO) (below the Board level) and the functional heads.

### 3. PERFORMANCE EVALUATION OF BOARD MEMBERS:

Ministry of Corporate Affairs (MCA) has, vide its notification dated June 05, 2015, notified the exemptions to Government Companies from certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding a statement indicating the manner of formal annual evaluation of Board, shall not apply to Government Companies in case the Directors are evaluated by the Ministry which is administratively in charge of the Company as per its evaluation methodology. Further, the aforesaid circular issued by the MCA has also exempted that sub-section (2), (3) & (4) of Section 178 of the Companies Act, 2013 regarding the appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

Further, MCA vide its notification dated July 05, 2017 has made an amendment in the Schedule IV of the act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Directors of Non- Independent Directors and Chairman and performance evaluation of the Independent Director by the Board if the concerned department or ministries



## CORPORATE GOVERNANCE REPORT

have specified these requirements.

In this regard, the DPE has already laid down a mechanism for performance appraisal of all Functional Directors. The performance evaluation of Functional Directors is done through a system of Annual Performance Appraisal Report (APAR) by MoR. Further, the performance evaluation of the Company is done through the evaluation of the Memorandum of Understanding (MoU) entered with MoR, and the said evaluation is submitted to DPE through the Administrative Ministry. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals and the team. The internal MoU covers various parameters including financial, non-financials

and compliances of government guidelines etc.

In respect of Government Nominee Directors, their evaluation is done by the MoR as per the procedure laid down. Since Independent Directors are also appointed by the GoI, their evaluation is also done by the MoR and finally by DPE.

### 3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition, terms of reference, quorum, and the scope of Stakeholders' Relationship Committee (SRC) are in accordance with the Companies Act, 2013 and SEBI LODR.

The Committee has been reconstituted as and when there has been a change in directors. The composition of SRC during the year was as follows:

From 01.04.2022 till 27.05.2022	From 27.05.2022 till 31.03.2023
<b>Chairperson</b>	
Shri Dhananjaya Singh Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director
<b>Members</b>	
Shri Shyam Lal Gupta Director (Projects)	Smt. Ragini Advani Director (Finance)
Shri Ajay Kumar Chauhan Independent Director	Shri Kartik Chandulal Bhadra Independent Director

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

During the FY 2022-23, one (1) meeting of Stakeholders' Relationship Committee was held on March 06, 2023 which was attended by all members of the Committee. Shri Dhananjaya Singh, Chairperson of the Stakeholders' Relationship Committee was present at the Annual General Meeting held on September 16, 2022 to answer queries of the shareholders.

#### 1. TERMS OF REFERENCE

Terms of Reference of the Stakeholders' Relationship Committee includes the following areas as specified under Section 178 of the Companies Act, 2013, along with Regulation 20 of the SEBI LODR:

- To look into the various aspect of interest of shareholders, debenture holders and other security holders.
- To consider and resolve grievances of the security holders of the Company, including complaints in relation to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates and general meetings.
- Review of measures taken for the effective exercise of voting rights by shareholders.

- Review of adherence to the service standards adopted in respect of various services being rendered by Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.
- To carry out any other function as may be required under Companies Act 2013, or DPE Guidelines, or SEBI LODR or other matters, if any, required by the stock exchanges from time to time.

#### 2. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Ms. Ritu Arora, Company Secretary, is the Compliance Officer of the Company in terms of SEBI LODR.

## CORPORATE GOVERNANCE REPORT

### 3. DETAILS OF SHAREHOLDER'S COMPLAINTS

The Company as well as the Registrar and Transfer Agent of the Company have attended the Investor's grievances expeditiously. At the beginning of the year i.e., as on April 01, 2022, no complaints was

pending and a total of 10 queries / complaints from Shareholders were received during the year 2022-23. All complaints / grievances were resolved to the satisfaction of the shareholders. The details are as follows:

NATURE OF COMPLAINT	PENDING COMPLAINTS (as on 01.04.2022)	RECEIVED	RESOLVED	PENDING
SEBI	0	0	0	0
BSE	0	4	4	0
NSE	0	5	5	0
NSDL/CDSL	0	0	0	0
Others	0	1	1	0
<b>TOTAL</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>

### 3.4 RISK MANAGEMENT COMMITTEE

As per SEBI LODR, the requirement of constituting Risk Management Committee (RMC) in the Company became applicable with effect from April 01, 2019; however, the Company was already having Board level Risk Management Committee since 2014.

The composition, terms of reference, quorum and the scope of RMC are in accordance with the statutory requirements of SEBI LODR.

Independent Director. A rapid action group comprising of top-level management and Business Unit Heads (Project / Functional Heads) is also in place and the objective of the group is to mitigate key risks-inherent in Business process and maintain productivity and efficiency.

The Committee has been reconstituted as and when there has been a change in directors. The composition of RMC during the financial year was as follows:

#### 1. COMPOSITION

The Company has a Risk Management Committee comprising of four Board Members, including one

From 01.04.2022 till 27.05.2022	From 27.05.2022 till 31.12.2022	From 01.01.2023 till 11.01.2023	From 12.01.2023 till 31.03.2023
<b>Chairperson</b>			
Shri Shyam Lal Gupta Director (Projects)	Shri Shyam Lal Gupta Director (Projects)	Shri Parag Verma Director (Works)	Shri Parag Verma Director (Works)
<b>Members</b>			
Shri Rajesh Argal Govt. Nominee Director	Smt. Ragini Advani Director (Finance)	Smt. Ragini Advani Director (Finance)	Smt. Ragini Advani Director (Finance)
Shri Dipendra Kumar Gupta Independent Director	Shri Kartik Chandulal Bhadra Independent Director	Shri Kartik Chandulal Bhadra Independent Director	Shri Kartik Chandulal Bhadra Independent Director
-	Shri Parag Verma Director (Works) (Member w.e.f 11.11.2022)	-	Shri Sandeep Jain Director (Projects)



## CORPORATE GOVERNANCE REPORT

During FY 2022-23, two (2) meetings of Risk Management Committee were held. Details of the number of meetings of the RMC held and attendance details are mentioned below:

Name of Member	Meeting Date		Total Meetings held during the tenure	No. of Meetings attended
	30.08.2022	15.11.2022		
Shri Parag Verma	-	✓	1	1
Shri Shyam Lal Gupta	✓	✓	2	2
Smt. Ragini Advani	✓	✓	2	2
Shri Sandeep Jain	-	-	0	0
Shri Rajesh Argal	-	-	0	0
Shri Dipendra Kumar Gupta	-	-	0	0
Shri Kartik Chandulal Bhadra	✓	✓	2	2

### 2. TERMS OF REFERENCE:

The terms of reference of the Risk Management Committee includes:

- Identification of key risk bearing activities.
- Classification of gaps with respect to risk potential as compared to best business practices: Minor; significant or critical, substantial or major.
- Identifying gaps in the current business process for any uncovered potential threat.
- Setting up risk assessment control systems.
- Providing guidelines relating to drafting/modification of Business Operating Procedures, and their documentation.
- Review of risk assessment reports compiled by Rapid Action Group and giving directions for improvements and Providing feedback on the Rapid Action Group's report on the operational capabilities, and preparedness of IRCON for potential business.
- Formulate a detailed risk management policy which shall include: A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; Measures for risk mitigation including systems and processes for internal control of identified risks; Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Keeping the Board of Directors informed about the nature and content of its discussions,

recommendations and action to be taken.

- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) who shall be appointed by Chairman and Managing Director by issue of Office Order.
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- Coordinate its activities with other committees, in instance, where there is any overlap with activities of such committees, as per the framework laid down by the Board.
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if required.

### 3.5 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE (CSR COMMITTEE)

The composition, terms of reference, quorum and other matters in relation to the Corporate Social Responsibility & Sustainability Committee (CSR Committee) are as per the requirements specified under Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and DPE Guidelines on CSR and Sustainability, 2014.

#### 1. COMPOSITION, MEETINGS AND ATTENDANCE:

The Committee has been reconstituted as and when there has been a change in directors. The composition of CSR Committee during the financial year was as follows:

## CORPORATE GOVERNANCE REPORT

From 01.04.2022 till 31.07.2022	From 01.08.2022 till 31.12.2022	From 01.01.2023 till 31.03.2023
<b>Chairperson</b>		
Smt. Ranjana Upadhyay Independent Director	Smt. Ranjana Upadhyay Independent Director	Smt. Ranjana Upadhyay Independent Director
<b>Members</b>		
Shri Rajesh Argal Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director
Shri Shyam Lal Gupta Director (Projects)	Shri Shyam Lal Gupta Director (Projects)	Shri Parag Verma Director (Works)

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

The details of the CSR & Sustainability activities of the Company are provided in the Annual Report and placed on the Website of the Company.

### 2. MEETINGS AND ATTENDANCE:

During FY 2022-23, the Committee met six (6) times. Details of meeting and attendance details of the CSR Committee are mentioned below:

Name of Director	Meeting date						Total meetings held during the tenure	No. of meetings attended
	26.05.2022	08.08.2022	31.08.2022	01.11.2022	08.12.2022	30.12.2022		
Smt. Ranjana Upadhyay	✓	✓	✓	✓	✓	✓	6	6
Shri Parag Verma	-	-	-	-	-	-	0	0
Shri Shyam Lal Gupta	✓	✓	✓	✓	✓	✓	6	6
Shri Dhananjaya Singh	-	✓	✗	✓	✗	✗	5	2
Shri Rajesh Argal	✓	-	-	-	-	-	1	1

### 3. TERMS OF REFERENCE

The terms of reference of the CSR Committee, inter-alia, includes -

- To oversee the implementation of the Corporate Social Responsibility and Sustainability Policy of the Company and to assist the Board to formulate suitable policies and strategies to take the Corporate Social Responsibility and Sustainability agenda of the Company forward in the desired direction.
- To appoint a Nodal officer, not below the rank of a Chief General Manager level official, and his team of officials, as thought appropriate in terms of the Guidelines.

- To recommend the Corporate Social Responsibility activities, under the Board approved Corporate Social Responsibility and Sustainability Policy of the Company and as per Schedule VII of the Companies Act, 2013 and DPE Guidelines, and put up to the Board for approval/ratification.
- To evolve modalities to not only promptly identify Corporate Social Responsibility activities but also to get the necessary clearances at the appropriate level and the Board whenever required; for carrying on the identified activities, and to attain the objectives well in time in a streamlined manner.



## CORPORATE GOVERNANCE REPORT

### 3.6 PROJECT PROGRESS REVIEW COMMITTEE:

The Project Progress Review Committee (PRC) was formed by the Board of Directors to review the physical progress and allied activities strictly related to physical progress of the on-going projects (except PMC projects) of the Company and to address

possible roadblocks in the smooth execution of the projects.

#### 1. COMPOSITION, MEETINGS AND ATTENDANCE:

The Committee has been reconstituted as and when there has been a change in directors. The composition of PRC during the year was as follows:

From 01.04.2022 till 31.07.2022	From 01.08.2022 till 21.09.2022	From 21.09.2022 till 31.12.2022	From 01.01.2023 till 11.01.2023	From 12.01.2023 till 31.03.2023
<b>Chairperson</b>				
Shri Rajesh Argal Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director	Shri Dhananjaya Singh, Govt. Nominee Director	Shri Dhananjaya Singh, Govt. Nominee Director
<b>Members</b>				
Shri Yogesh Kumar Misra CMD & Director (Works) (Additional Charge) or	Shri Yogesh Kumar Misra CMD & Director (Works) (Additional Charge) or	Shri Parag Verma Director (Works) or	Shri Parag Verma Director (Works)	Shri Parag Verma Director (Works) or
Shri Shyam Lal Gupta Director (Projects) (for their related projects)	Shri Shyam Lal Gupta Director (Projects) (for their related projects)	Shri Shyam Lal Gupta Director (Projects) (for their related projects)		Shri Sandeep Jain Director (Projects) (for their related projects)
Shri Dipendra Kumar Gupta Independent Director	Shri Dipendra Kumar Gupta Independent Director	Shri Dipendra Kumar Gupta Independent Director	Shri Dipendra Kumar Gupta Independent Director	Shri Dipendra Kumar Gupta Independent Director
Shri Dhananjaya Singh Govt. Nominee Director	-	-	-	-

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

### 2. MEETING AND ATTENDANCE:

During FY 2022-23, the Committee met once. Details of meeting and attendance details of the PRC are mentioned below:

Name of Member	Meeting Date	Total Meeting held during the tenure	No. of Meetings attended
	09.12.2022		
Shri Dhananjaya Singh	✓	1	1
Shri Rajesh Argal	-	0	0
Shri Yogesh Kumar Misra	-	0	0
Shri Parag Verma	✓	1	1
Shri Sandeep Jain	-	0	0
Shri Shyam Lal Gupta	✓	1	1
Shri Dipendra Kumar Gupta	✓	1	1

## CORPORATE GOVERNANCE REPORT

### 3.7 MEETING OF INDEPENDENT DIRECTORS:

As per Schedule IV of the Companies Act, 2013, SEBI LODR to the extent applicable and DPE-OM dated December 28, 2012 (as amended vide DPE-OM dated June 20, 2013), during the FY 2022-23, one meeting of the Independent Directors was held on March 16 & 17, 2023. Further, suggestions by the independent Directors in their report were duly considered and suitable action have been taken by the Company.

determined by the GoI on the terms and conditions issued by the GoI.

The Part-Time Official (Non-Executive) Directors nominated on the Board do not draw any remuneration from the Company for their role as a director and they draw their remuneration under Central Dearness Allowance (CDA) pay scales from the GoI as government officials.

Independent (Non-Executive) Directors are paid a sitting fee for attending the meetings of the Board and Committee thereof. During FY 2022-23, the Independent Directors were paid a sitting fee of ₹30,000/- for attending the Board Meeting and ₹20,000/- for attending Board Committee Meetings.

### 3.8 REMUNERATION OF DIRECTORS:

Being a Government Company, the Whole-Time Directors are appointed by the President of India through the MoR and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-

#### a. Details of remuneration of Whole-time Directors during FY 2022-23 are given below:

S. No.	Particulars of Remuneration	Name & Designation Of Directors			
		Shri Yogesh Kumar Misra Chairman & Managing Director and CEO	Smt. Ragini Advani, Director (Finance)*	Shri Parag Verma, Director (Works)\$	Shri Shyam Lal Gupta Director (Projects) #
1	<b>Gross salary</b>				
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	46,14,886	39,86,563	26,61,579	42,00,324
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	9,30,915	-	-	1,04,727
c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify:	-	-	-	-
	- Performance Linked Incentive	15,49,098	-	-	2,17,351
	- Retirement Benefits	7,53,471	5,60,504	3,17,018	51,62,867
	<b>Total</b>	<b>78,48,370</b>	<b>45,47,067</b>	<b>29,78,597</b>	<b>96,85,269</b>

\*with effect from 19.04.2022;

\$ with effect from 21.09.2022; and

# upto 31.12.2022

#### b. Details of payments made to Independent Directors [Part-Time Non-Official] Directors during FY 2022-23:

Name of the Independent Director/ Part-Time (Non-Official Directors)	SITTING FEE		TOTAL
	BOARD MEETINGS	COMMITTEE MEETINGS	
Shri Ajay Kumar Chauhan	2,40,000	2,40,000	4,80,000
Shri Dipendra Kumar Gupta	2,40,000	1,20,000	3,60,000
Smt. Ranjana Upadhyay	2,40,000	2,80,000	5,20,000
Dr Kartik Chandulal Bhadra	2,40,000	80,000	3,20,000



## CORPORATE GOVERNANCE REPORT

### 3.9 Particulars of Senior Management (As on March 31, 2023)

Sr. No.	Employee Name	Designation
1.	Shri Ankush Gupta	Executive Director
2.	Shri B. Mugunthan	Executive Director & CFO
3.	Shri Devendra Kumar Sharma	Executive Director
4.	Shri Naveen Babu	Executive Director
5.	Shri Pawan Kumar	Executive Director
6.	Shri Subhash Chand	Executive Director
7.	Shri Surender Singh	Executive Director
8.	Shri Jayasankar V.K.	Project Director

Sr. No.	Employee Name	Designation
9.	Shri Mohinder Singh	Project Director
10.	Shri Pramod Kumar Singh	Project Director
11.	Shri Sitesh Kumar Singh	Project Director
12.	Shri Surendra Singh	CVO
13.	Shri Abheejit Kumar Sinha	Chief General Manager
14.	Shri Debjyoti Kumar	Chief General Manager
15.	Shri Manoj Kumar	Chief General Manager
16.	Shri Neeraj Gupta	Chief General Manager
17.	Shri P V Shreekanth	Chief General Manager
18.	Ms. Ritu Arora	Company Secretary & Compliance Officer

## 4. GENERAL BODY MEETINGS

### 4.1 DATE, TIME AND LOCATION OF THE LAST THREE YEARS' ANNUAL & EXTRA-ORDINARY GENERAL BODY MEETINGS HELD:

Financial Year	Date of holding the Meeting	Time	Location/ Venue
2021-22 (46th AGM)	September 16, 2022	1230 hours	Through Video Conferencing (Registered office was considered as Venue of the Meeting)
2020-21 (45th AGM)	September 24, 2021	1230 hours	Through Video Conferencing (Registered office was considered as Venue of the Meeting)
2019-20 (44th AGM)	September 29, 2020	1130 hours	Through Video Conferencing (Registered office was considered as Venue of the Meeting)

Details of Special Resolutions passed in the General Meetings during the last three years: NIL

### 4.2 SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT DURING FY 2022-23 :

Four special resolutions were passed through the postal ballot in the FY 2022-23. Details are as under:

S. No.	Date	Special Resolution	Particulars
1	June 29, 2022	Special Resolution	Appointment of Shri Ajay Kumar Chauhan as an Independent (Part-time Non-Official) Director
2	June 29, 2022	Special Resolution	Appointment of Shri Dipendra Kumar Gupta as an Independent (Part-time Non-Official) Director
3	June 29, 2022	Special Resolution	Appointment of Smt. Ranjana Upadhyay as an Independent (Part-time Non-Official) Director
4	June 29, 2022	Special Resolution	Appointment of Dr. Kartik Chandulal Bhadra as an Independent (Part-time Non-Official) Director

## CORPORATE GOVERNANCE REPORT

Further, pursuant to the amendment of the SEBI LODR with effect from January 01, 2022, approval of shareholders for appointment of a person on the Board of Directors or as a manager is to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier and approval of the shareholders for the appointment of Independent Directors should be through special resolutions. However, with effect from January 17, 2023 a public sector company shall ensure that the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors or as a Manager is taken at the next general meeting.

Accordingly, during the Financial Year 2022-23, through postal ballot, Special Resolutions for appointment of Shri Ajay Kumar Chauhan, Shri Dipendra Kumar Gupta, Smt. Ranjana Upadhyay and Dr. Kartik Chandulal Bhadra as Part-Time (Non-Official) Directors on the Board of the Company was conducted and approved by the Members.

These Postal Ballots were conducted by following the process of remote e-voting system in line with the circulars issued by the MCA and SEBI from time to time and Shri Sachin Agarwal (M/s Agarwal S. & Associates) was appointed as scrutinizer and Ms. Ritu Arora, Company Secretary announced the voting results for aforesaid Postal Ballot Process.

### 4.3 SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

No special resolution is proposed to be conducted through Postal Ballot.

## 5. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through its website. Information, latest updates and announcements regarding the Company can be accessed at the Company's website: [www.ircon.org](http://www.ircon.org) includes the following:

- > Quarterly / Half-yearly / Annual Financial Results
- > Quarterly Shareholding Pattern
- > Quarterly Corporate Governance Report
- > Transcripts of conferences with analysts
- > Intimations made to the Stock Exchanges from time to time.
- > The Company's official news releases, other press coverage, presentations made to institutional investors or analysts.

- > Email ID of the Company Secretary and Compliance Officer and RTA exclusively for the purpose of registering complaints by investors has been displayed on the website under the head "Investor Relations Investor Contact."

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions and also participation in investor conferences from time to time. Financial Results are discussed by way of conference calls, regularly after the close of each quarter.

During FY 2022-23, Quarterly, Half Yearly and Yearly Results were published as follows:

QUARTER	NEWSPAPER(S)
Q1 ended 30.06.2022	Financial Express (English), The Indian Express (English), Jansatta (Hindi)
Q2 and half year ended 30.09.2022	Financial Express (English), The Indian Express (English), Jansatta (Hindi)
Q3 and nine months ended 31.12.2022	Financial Express (English), The Indian Express (English), Jansatta (Hindi)
Q4 and the year ended 31.03.2023	Financial Express (English), The Indian Express (English), Jansatta (Hindi)

## 6. GENERAL SHAREHOLDER INFORMATION

### 6.1 ANNUAL GENERAL MEETING (AGM) OF THE CURRENT YEAR (THROUGH VIDEO CONFERENCING):

**Day & Date:** Tuesday, September 12, 2023

**Time:** 12.30 PM (IST)

**Venue:** Registered Office of the Company at C-4, District Centre, Saket, New Delhi- 110017

**Notice of AGM :** Our Company, as a corporate entity, is committed to protect and conserve the natural environment in its operations and services. As a responsible corporate citizen, the Company supports the 'Green Initiative' taken by the MCA, enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository Participants / Registrar & Share Transfer Agent. The Annual Reports and the Notice of the AGM are being sent to all the members in the manner prescribed or as may be prescribed in the applicable laws. The Notice and Annual Report 2022-23 can also be accessed from the websites of the Company (under 'Investor Relations' section) at [www.ircon.org](http://www.ircon.org) and of Stock Exchanges i.e. BSE



## CORPORATE GOVERNANCE REPORT

Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also available at website of National Securities Depository Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

### 6.2 FINANCIAL YEAR

The Company's Financial Year is from 1st April to 31st March.

### 6.3 BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 06, 2023 to Tuesday, September 12, 2023 (both days inclusive).

### 6.4 PAYMENT OF DIVIDEND

The Board of Directors of the Company has recommended a final dividend at the rate of ₹1.20 per share of face value of ₹2/- each [i.e., 60% of paid-up share capital of ₹188.10 Crore] amounting to ₹112.86 Crore for the financial year ended March 31, 2023.

During the financial year, the Company at its meeting held on February 08, 2023 declared an interim dividend at the rate of ₹1.80 per equity share on the face value of ₹2/- each, aggregating to approximately ₹169.29 Crore (i.e. 90 % of the paid up equity share capital of ₹188.10 Crore) and the same was paid on February 28, 2023.

The final dividend on equity shares will be paid Wednesday, September 27, 2023 onwards to those Members whose names appear on the Register of Members of the Company in respect of physical shares and in respect of dematerialised shares to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on Tuesday, September 05, 2023.

### 6.5 DIVIDEND HISTORY

The details of dividend paid by IRCON in the last ten years are summarised as under:

Year	Total Paid-up Capital (₹ in Crore)	Total Amount of Dividend Paid (₹ in Crore)	Date of Board Meeting* / AGM in which Dividend Was Declared	Interim / Final	Payment Date of Dividend
2013-2014	19.796	182.12 (₹92 per share)	31.01.2014*	Interim	25.02.2014
			25.09.2014	Final	17.10.2014
2014-2015	19.796	182.12 (₹92 per share)	28.01.2015*	Interim	24.02.2015
			22.12.2015	Final	18.01.2016
2015-2016	19.796	168.26 (₹85 per share)	19.02.2016*	Interim	14.03.2016
			28.09.2016	Final	21.10.2016
2016-2017	19.796+79.184#	79.06	05.01.2017*	Interim	14.02.2017
			23.03.2017*	Additional Interim	27.03.2017
			28.09.2017	Final	24.10.2017
2017-2018	94.05	192.40 (₹20.46 per share)	20.03.2018*	Interim	28.03.2018
			14.09.2018	Final	10.10.2018
2018-2019	94.05	202.64 (₹21.54 per share)	07.02.2019*	Interim	26.02.2019
			03.09.2019	Final	18.09.2019
2019-2020	94.05	126.50 (₹13.45 per share)	11.02.2020*	Interim	02.03.2020
			29.09.2020	Final	14.10.2020
	94.05	96.87 (₹2.06 per share)\$			

## CORPORATE GOVERNANCE REPORT

Year	Total Paid-up Capital (₹ in Crore)	Total Amount of Dividend Paid (₹ in Crore)	Date of Board Meeting* / AGM in which Dividend Was Declared	Interim / Final	Payment Date of Dividend
2020-2021	94.05	61.13** (₹1.30 per share)	15.02.2021*	Interim	03.03.2021
		188.10***	159.89** (₹1.70 per share)	24.09.2021	Final
2021-2022	188.10	42.33** (₹0.45 per share)	12.08.2021*	1 <sup>st</sup> interim	06.09.2021
		65.84** (₹0.70 per share)	12.11.2021*	2 <sup>nd</sup> interim	07.12.2021
		65.84** (₹0.70 per share)	14.02.2022*	3 <sup>rd</sup> interim	08.03.2022
		61.13** (₹0.65 per share)	16.09.2022	Final	04.10.2022
2022-23	188.10	169.29 (₹ 1.80 per share)	08.02.2023*	Interim	28.02.2023
		₹112.86 (₹ 1.20 per share)	12.09.2023 (subject to shareholders' approval)	Final	27.09.2023 Onwards

\*Date of Board Meeting in which interim dividend was declared.

\*\* face value of ₹2/- each.

\*\*\* subsequent to bonus issue in the ratio of 1:1, paid-up capital increased from ₹94.05 Crore to ₹188.10 Crore w.e.f. 23.05.2021.

#Interim, additional interim and the final dividend was paid on the Bonus share capital of ₹79.184 Crore (for 70 days proportionately on bonus shares allotted on 05.01.2017).

\$ Interim dividend was paid @ ₹13.45 per share at a face value of ₹10 each and final dividend was paid @ ₹2.06 per share of face value of ₹2/- each.

### 6.6 DIVIDEND DISTRIBUTION POLICY:

The Company has a Dividend Distribution Policy approved by its Board of Directors. The intent of the policy is to broadly specify the parameters (external and internal factors) that shall be considered while declaring dividend and the circumstances under which shareholders of the Company may/ may not expect dividend and how the retained earnings shall be utilised. The Policy is hosted on the Website of the Company at <https://ircon.org/images/file/cosecy/Dividend%20Distribution%20Policy.pdf>.

### 6.7 LISTING ON STOCK EXCHANGE:

The Company got listed on 28.09.2018 on the following Stock Exchanges. The payment of the annual listing fee for FY 2022-23 has been made to National Stock Exchange of India Limited and BSE Ltd. The ISIN of Company is INE962Y01021.

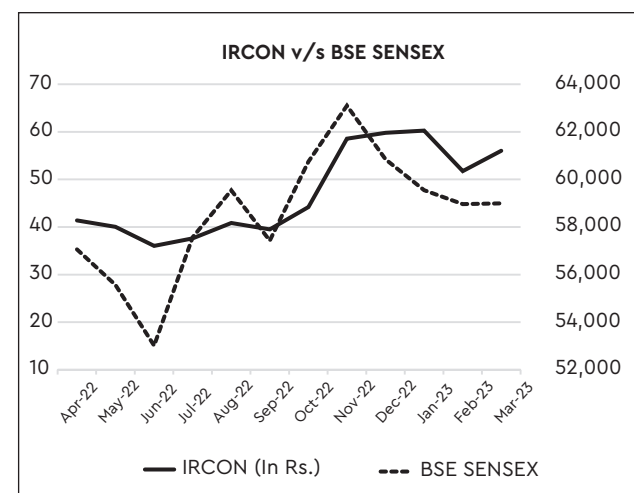
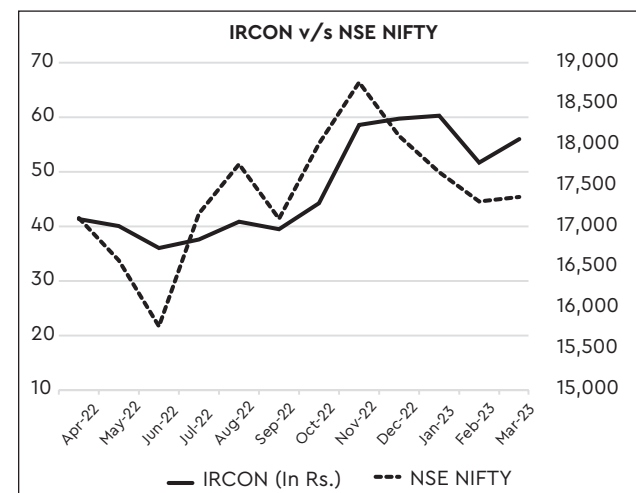
NATIONAL STOCK EXCHANGE OF INDIA LIMITED	BSE LIMITED
Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
Scrip Code: IRCON	Scrip Code: 541956



## CORPORATE GOVERNANCE REPORT

### 6.8 IRCON'S SHARES MARKET PRICE DATA FOR FY 2022-23

Month	NSE				BSE				INDEX	
	HIGH	LOW	CLOSE	VOLUME	HIGH	LOW	CLOSE	VOLUME	NSE NIFTY	BSE SENSEX
	in ₹			(in no. of shares)	in ₹			(in no. of shares)		
Apr-22	44.15	39.80	41.35	2,15,86,393	44.10	39.80	41.40	37,68,608	17,102.55	57,060.87
May-22	41.50	38.05	40.05	1,26,59,091	41.50	38.00	40.05	20,79,256	16,584.55	55,566.41
Jun-22	40.75	34.80	36.05	1,13,42,076	40.85	34.80	36.05	15,64,780	15,780.25	53,018.94
Jul-22	38.20	35.80	37.60	73,79,761	38.15	35.80	37.60	9,33,810	17,158.25	57,570.25
Aug-22	41.75	37.55	40.85	2,42,07,246	41.75	37.55	40.85	28,01,925	17,759.30	59,537.07
Sep-22	43.50	38.60	39.50	3,41,66,668	43.50	38.60	39.50	36,42,889	17,094.35	57,426.92
Oct-22	45.45	39.20	44.25	5,19,97,376	45.45	39.10	44.20	57,50,795	18,012.20	60,746.59
Nov-22	64.65	43.75	58.60	39,90,89,527	64.55	43.75	58.55	3,22,55,749	18,758.35	63,099.65
Dec-22	66.75	48.75	59.75	30,36,75,798	66.80	48.80	59.80	2,98,59,092	18,105.30	60,840.74
Jan-23	64.20	54.20	60.30	15,92,20,288	64.20	54.20	60.25	1,60,87,073	17,662.15	59,549.90
Feb-23	62.40	50.10	51.70	8,44,48,172	62.45	50.15	51.75	75,63,417	17,303.95	58,962.12
Mar-23	56.45	51.50	56.00	6,96,05,396	56.30	51.51	56.00	77,06,571	17,359.75	58,991.52



### 6.9 SECURITIES OF THE COMPANY HAVE NOT BEEN SUSPENDED FROM TRADING DURING FY 2022-23.

### 6.10 REGISTRAR AND TRANSFER AGENT FOR SHARES

During the FY 2022-23, the Registrar and Transfer Agent for shares was as follows:

**Alankit Assignments Limited**  
205-208, Anarkali Complex,  
Jhandewalan Extension,  
New Delhi-110055  
Tel No.: 011-42541234  
Fax No.: 011-23552001  
Email: rta@alankit.com  
Website: www.alankit.com

## CORPORATE GOVERNANCE REPORT

### 6.11 SHARE TRANSFER SYSTEM

During the year 2022-23, Alankit Assignments Limited is the RTA of the Company for the Physical and Demat shares and is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Board of Directors has authorised anyone of the Whole- Time Director and Company Secretary (or any two Whole- Time Directors in the absence of Company Secretary) to issue share certificate on receipt of the request for rematerialisation /split/ duplicate of shares and to sign/ affix facsimile signature and affix common seal on share certificate.

In line with SEBI's circular no. SEBI/LAD-NRO/ GN/2018/24 dated June 08, 2018 wherein it has been mandated that w.e.f. April 01, 2019, the request for effecting transfer of securities/ shares shall not be processed unless the securities are held in dematerialised form, except in case of transmission or transposition of securities/shares. Further, SEBI vide its circular no. SEBI/HO/MIRSD\_RTAMB/ CIR/2022/8 dated January 25, 2022 has mandated that the request for effecting of issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, subdivision/ splitting of share certificate, consolidation of securities, transmission and transposition shall be issued in dematerialised mode only and no physical share certificate shall be issued.

In this reference, notices have been hosted on the Website of the Company for informing the shareholders to hold the shares in dematerialised form only w.e.f. April 01, 2019 and the service requests as mentioned above, shares shall be issued in dematerialised mode only and no physical shares shall be issued w.e.f. January 25, 2022.

As per SEBI circular dated January 25, 2022 read with circular dated February 24, 2022, the listed companies shall issue the securities in dematerialized form only and shall process the service requests like endorsement, sub-division, transmission or transposition, etc. in dematerialized form. Form ISR-4 (for physical shareholders) has also made available on the website of the Company.

SEBI vide its circular dated March 16, 2023 mandate all listed companies to record PAN, Nomination and Contact details, Bank A/c details and specimen signature for their corresponding folio numbers of holders of physical securities. The Company has completed the process of sending letters through its RTA to the Members holding shares in physical form in relation to above referred SEBI Circular. Members holding shares in electronic form are requested to submit their details to their Depository Participant(s).

Annual Compliance Certificate as required under Regulation 7(3) of the SEBI LODR duly signed by the Compliance Officer of the Company and Share Transfer Agent have been submitted to the Stock Exchange. During the financial year, no request/ application for transmission of equity shares was received.

Pursuant to Regulation 40(9) of the SEBI LODR, a certificate from Practising Company Secretary on yearly basis confirming that all certificates had been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies had been submitted to Stock Exchange within a stipulated time. Though, during FY 2022-23, no request/ applications relating to share transfers, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies were received. Further, no request/ applications relating to issue of duplicate share certificates was received.

### 6.12 Distribution of Shareholding as on March 31, 2023

#### a. Distribution of shares according to the size of holding as on 31st March 2023:

No. of Equity Share(s) Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 500	258454	85.30	33902506	3.60
501 - 1000	22255	7.34	18288864	1.94
1001 - 2000	11023	3.64	17432117	1.85
2001 - 3000	3689	1.22	9529333	1.01
3001 - 4000	1819	0.60	6671344	0.71
4001 - 5000	1783	0.59	8435571	0.90
5001 - 10000	2289	0.76	17508776	1.86
10001 - 20000	915	0.30	13693162	1.46
20001 and above	780	0.26	815054067	86.67
<b>TOTAL:</b>	<b>303007</b>	<b>100.00</b>	<b>940515740</b>	<b>100.00</b>



## CORPORATE GOVERNANCE REPORT

### b. Shareholding Pattern as on March 31, 2023

Category	No. of Shares Held	% of Total No. of Shares
<b>Promoters Holding</b>		
President of India	68,83,01,650	73.18
<b>Sub-Total (1)</b>	<b>68,83,01,650</b>	<b>73.18</b>
<b>Non-Promoters Holding</b>		
Mutual Funds	32,86,853	0.35
Financial Institutions/Banks	2,40,000	0.03
Foreign Portfolio Investors	3,75,27,979	3.99
Bodies Corporates*	3,30,70,169	3.52
Insurance Companies	1,40,06,700	1.49
Resident Individuals	14,81,80,725	15.76
Non-Resident Indians (including Non-Resident Non-Repatriates)	67,31,781	0.72
Others (Foreign Nationals, Directors & their Relatives, clearing members, HUF, NBFCs, trusts etc.)	91,69,883	0.96
<b>Sub-Total (2)</b>	<b>25,22,14,090</b>	<b>26.82</b>
<b>Total (1+2)</b>	<b>94,05,15,740</b>	<b>100.00</b>

\* Includes such Bodies Corporates of which Central/ State Government(s) are its promoter.

### c. Shareholders holding more than 1% of shares of the Company:

Category & Shareholder's Name	As on 31 <sup>st</sup> March 2023	
	Voting Strength	No. of Shares Held
<b>Promoter &amp; Promoter Group</b>		
The President of India	73.18	68,83,01,650
<b>Non-Promoter (Body Corporate)</b>		
-	-	-

### 6.13 Dematerialisation of Shares and Liquidity

The shares of the Company are in compulsory dematerialised form and are admitted with both the Depositories, i.e., NSDL and CDSL.

Reconciliation of Share Capital Audit Report of the Company issued by the Practising Company Secretary has been submitted to Stock Exchanges within the stipulated time.

No. of shares held in the dematerialised and physical mode as on March 31, 2023 are as follows:

Category	No. of Shares	Percentage
<b>DEMAT</b>		
with NSDL	85,54,10,618	90.95
with CDSL	8,50,99,715	9.05
Physical	5,407	Negligible
<b>Total</b>	<b>94,05,15,740</b>	<b>100</b>

### 6.14 OUTSTANDING GDRs/ADRs:

There are no GDRs/ADRs/warrants/convertible instrument outstanding as on March 31, 2023.

### 6.15 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Dealing in foreign currencies involve foreign exchange risk, and the exchange rate may change unfavourably before the currency is exchanged. In order to minimise or eliminate foreign exchange risk, these exchange rate fluctuations are monitored constantly, and surplus funds are exchanged/repatriated to India at the appropriate time. However, there is no exchange fluctuation risk, as inwards and outwards is in the same foreign currency. This provides natural hedging against foreign currency fluctuation risk.

### 6.16 PLANT LOCATIONS/OPERATING UNITS

The Company is headquartered at Saket, New Delhi and has 65 project offices including 4 regional offices to support and manage business operations throughout India.

Further, the Company has six (6) major overseas project offices in Sri Lanka, Bangladesh, Malaysia, Algeria and Myanmar from where business activities are undertaken.

A list of the operating units/offices is available on the Website of the Company.

### 6.17 ADDRESS FOR CORRESPONDENCE WITH THE REGISTERED OFFICE

(Regarding Corporate Governance matters covered under this report)

Ms Ritu Arora  
Company Secretary and Compliance Officer,  
Ircon International Limited,  
C-4, District Centre, Saket, New Delhi - 110 017,  
Telephone: 91-11-26530456,  
Fax: 91-11-26522000/26854000,  
Email: investors@ircon.org,  
Website: www.ircon.org.

## CORPORATE GOVERNANCE REPORT

### 6.18 LIST OF ALL CREDIT RATINGS OBTAINED BY THE COMPANY:

Credit ratings assigned to Ircon International Limited for various debt instruments by Rating agencies are given below:

**Instrument**-Long-term/Short-term Bank Facilities

**Rating Agency**- CARE

**Rating**- CARE AAA; Stable/CARE A1+ (Triple A; Outlook; Stable/A One Plus)

**Outlook**- Stable

### 7.3 Code of Conduct

The Company has in place a Code of Conduct for Board Members and for Senior Management and also Key Values for the Company as a whole. Both the Code of Conduct and Key Values came into effect from April 01, 2005 and have been posted on the Website of the Company, i.e., www.ircon.org. The Code of Conduct provides for transparency ethical conduct, friendly workplace, legal compliance and protection of the Company's property and confidentiality of information.

Declaration signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from the Board of Directors and Members of Senior Management team during FY 2022-23 is placed as Annexure-1.

## 7. DISCLOSURES

### 7.1 RELATED PARTY TRANSACTION

There has been no materially significant related party transaction, pecuniary transactions or relationships between the Company and the Directors, management, subsidiaries or relatives, except for those disclosed in the financial statements for the year ended March 31, 2023, and as reported in the Board's Report in terms of the requirement under Section 134 of the Companies Act, 2013.

The transactions with the related party are in the ordinary course of business on arms' length basis, and the disclosure of the same has been made as per the requirement of Companies Act, 2013 (i.e., Form AOC-2), SEBI LODR and relevant Indian Accounting Standard (in notes to Financial Statements of the Company).

The Company has formulated a Related Party Transaction (RPT) Policy to set out the materiality thresholds for related party transactions and the manner of dealing with the transactions between the Company and its related parties based on the Act and SEBI LODR. The RPT Policy is available at the link:

[https://ircon.org/images/file/cosecy/03062022\\_Final\\_RPT\\_Policy.pdf](https://ircon.org/images/file/cosecy/03062022_Final_RPT_Policy.pdf)

### 7.2 Details of non-compliance by the Company, penalties & strictures imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, during the last three years.

There has been no instance of non-compliance of any statutory regulation or Government guidelines, nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by Government except as disclosed in the Secretarial Audit Report or in this Report.

### 7.4 Code of Conduct for Fair Disclosure for Prevention of Insider Trading

In pursuance of SEBI PIT, IRCON's Board has approved an 'Internal Code for prevention of Insider Trading in dealing with securities of IRCON' with an aim that insiders of the Company shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information.

### 7.5 Whistle Blower Policy

The Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting the highest standard of professionalism, honesty, integrity and ethical behaviour.

The Company has in place a Whistle Blower Policy approved by the Board of Directors under which there is a mechanism for Employees and Directors of the Company to report to the Management, concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Policies and Code of conduct, instances of a leak of unpublished price sensitive information.

The Policy also provides for adequate safeguards against victimisation of employees and directors who avail the mechanism. Complaints under this policy shall be addressed to the Chairman and Managing Director of the Company or in exceptional cases, i.e., in respect of a complaint against an officer of E-9 grade, or where complainant apprehends victimisation, to the Chairman of the Audit Committee. Complaints



## CORPORATE GOVERNANCE REPORT

against the Board Level Executives shall be made to the Vigilance Directorate of the MoR, Gol, for further processing. Further, no personnel has been denied access to Audit Committee.

### 7.6 Compliance of SEBI LODR

During the FY 2022-23, the Company is non-compliant with respect to the composition of Board of Directors as not having requisite number of Independent Directors during the whole year.

Since, the appointment of Directors is made by the Administrative Ministry (i.e., MoR), the Company has no role to play in it and the Company has requested the MoR for appointment of requisite number of Independent Directors on the Board of the Company.

### 7.7 Weblink where policy for determining 'material' subsidiaries is disclosed:

<https://www.ircon.org/images/file/cosecy/Policy%20on%20Material%20Subsidiaries.pdf>

Presently, the Company has the following ten wholly owned subsidiaries and one subsidiary:

#### Wholly-owned Subsidiaries:

- Ircon Infrastructure & Services Limited (IrconISL)
- Ircon PB Tollway Limited (IrconPBTL)
- Ircon Shivpuri Guna Tollway Limited (IrconSGTL)
- Ircon Davanagere Haveri Highway Limited (IrconDHHL)
- Ircon Vadodara Kim Expressway Limited (IrconVKEL)
- Ircon Gurgaon Rewari Highway Limited (IrconGRHL)
- Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL)
- Ircon Akhola-Shirsad Expressway Limited (IrconASEL)
- Ircon Bhoj-Morbe Expressway Limited (IrconBMEL)
- Ircon Haridwar Bypass Limited (IrconHBL)

#### Subsidiary-

- Ircon Renewable Power Limited (IrconRPL) (76% shareholding)

**Material Subsidiary:** For the FY 2022-23, there was no material subsidiary of the Company.

### 7.8 During the year, no funds have been raised through preferential allotment or qualified institutions placement.

### 7.9 Statutory Auditors Fees:

This includes total fees for all services paid by the

Company and its subsidiary, on a consolidated basis, to the statutory auditor. The details of payment made to Statutory Auditor during FY 2022-23 on a consolidated basis are mentioned below:

(₹ in crore)

Sr. No.	Particulars of Fees	Amount
1	Audit Fee	0.41
2	Migration Data Audit Fees	-
3	Tax Audit Fee	0.12
4	Fee for Quarterly Limited Review	0.24
5	Certification Fees	0.03
6	Travelling & Out of pocket Expenses:	
	a. Travelling Expenses	-
	b. Out of pocket expenses	0.03
	<b>Total</b>	<b>0.83</b>

\* IRCON and its subsidiaries each has distinct Statutory Auditors appointed by Comptroller and Auditor General of India (C&AG).

### 7.10 Certificate for non-disqualification of Directors:

Certificate from a Company Secretary in practice that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is placed as Annexure-2.

### 7.11 Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for FY 2022-23:

NUMBER OF COMPLAINTS FILED DURING THE YEAR	NUMBER OF COMPLAINTS DISPOSED OFF DURING THE YEAR	NO. OF COMPLAINTS PENDING AS ON THE END OF THE YEAR
1	1	-

### 7.12 Disclosure by listed entity and its subsidiaries of "Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount":

The Company and its subsidiaries have not provided any Loan and advances in the nature of loans to firms / companies in which directors are interested, except loan provided to the subsidiary and joint venture companies.

### 7.13 Rating on Corporate Governance by Department of Public Enterprises:

The Company has submitted report on Corporate Governance in specified format(s) to MoR and DPE within the stipulated time as required under the DPE Guidelines on the Corporate Governance for CPSEs.

## CORPORATE GOVERNANCE REPORT

DPE has awarded 'Excellent' grading to IRCON for compliance of DPE Corporate Governance Guidelines during FY 2021-22.

IRCON has secured, based on self-evaluation, an annual score of '100 out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for FY 2022-23.

### 7.14 Presidential Directives for the last three years:

To comply with the requirement of SEBI LODR and Ministry of Finance notification dated 03.08.2018, Gol divested 16% of paid-up share capital of the Company (i.e., 7,52,41,260 equity shares) by way of Offer for Sale through stock exchange mechanism on March 03, 2021 and March 04, 2021.

### 7.15 Items of expenditure debited in books of accounts, which are not for the purposes of the business.

During the financial year, there are no items of expenditure debited in books of accounts other than for the business purposes of the Company.

### 7.16 Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management

During the year, no expenses have been incurred by the Company which are personal in nature for the directors and top management except for the remuneration paid to directors which are as per Government approved pay and perks (details given in para 3.8 of this report and also disclosed in Note No. 33 (b) forming part of the standalone financial statement).

### 7.17 Details of Administrative and Office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for the increase.

Other Expenses and Bank & Other Finance charges as a percentage of total expenses vis-a-vis financial expenses are given below:

Particulars	FY 2022-23	FY 2021-22
Other Expenses (Administrative) (₹ in Crore)	43.60	52.11
Bank & Other Finance Charges (₹ in Crore)	2.36	2.91
Total Expenses (₹ in Crore)	9378.44	6570.94
Administration expenses/ Total expenses (in %)	0.46	0.79

Particulars	FY 2022-23	FY 2021-22
Bank & Financial Charges/ Total expenses (in %)	0.03	0.04

**7.18** The Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR have been made except as disclosed in the Secretarial Audit Report or in this Report.

### 7.19 Disclosure with respect to Demat Suspense Account/ Unclaimed suspense account

During FY 2022-23, the Company does not have any shares in the Demat suspense account or unclaimed suspense account.

### 7.20 Unclaimed Dividend

No amount is due for transfer to Investors Education and Protection Fund (IEPF). Further, the details of unclaimed dividend as on March 31, 2023 are available on the website of the Company at the Path: Investor Relations>> Notices and Other Announcements>> Dividend.

### 7.21 Acceptances of recommendation of the Committees

The recommendations of the Committees of the Board have been considered by the Board while deciding on the matters.

### 7.22 Disclosure of certain types of agreements binding listed entities

The Company is not aware of agreements (including any rescission, amendment or alteration of such agreements thereto) entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, whether or not the Company is a party to such agreements.

## 8. AUDIT QUALIFICATIONS

For Audit Qualifications, the Independent Auditor's Report submitted by M/s HDSG & Associates, Chartered Accountants on the financial statements for the year ending March 31, 2023 may be referred to. The Auditors' Report is unmodified.



## CORPORATE GOVERNANCE REPORT

### 9. DISCRETIONARY REQUIREMENTS:

**9.1 The Board:** The Company is headed by an Executive Chairman.

**9.2 Shareholders' Rights for half yearly financial results:** The financial results for the half-year ended September 30, 2022 were published in Financial Express (English), The Indian Express (English) and Jansatta (Hindi) on November 12, 2022 and were also put on the Website of the Company. Separate half-year report has, however, not been sent to each household of Shareholders. Significant events have been intimated to Stock Exchanges and have also been disclosed on the Company website.

### 10. COMPLIANCE CERTIFICATE BY CEO/CFO CERTIFICATION

As per Regulation 17 (8) of the SEBI LODR, the compliance certificate duly signed by the Chairman and Managing Director & CEO and Chief Financial Officer was placed before the Board of Directors at its meeting held on May 24, 2023 and the same is placed as Annexure-3 to this Report.

### 11. COMPLIANCE

This Report duly complies with the legal requirements in respect of data that should be disclosed in a Corporate Governance Report for FY 2022-23. Certificate obtained from a Practising Company Secretary regarding the compliance of the conditions of Corporate Governance is placed as Annexure-4 to this Report.

For and on behalf of the Board of Directors

Sd/-  
**(Brijesh Kumar Gupta)**  
Chairman & Managing Director (L/A)  
and CEO  
(DIN: 10092756)

Date: August 11, 2023  
Place: New Delhi

Annexure-1

### DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2022-23

I, Brijesh Kumar Gupta, Chairman & Managing Director (Additional Charge), Ircon International Limited, do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct and Key Values of the Company during FY 2022-23.

Sd/-  
**(Brijesh Kumar Gupta)**  
Chairman & Managing Director and CEO  
(Additional Charge)  
(DIN: 10092756)

Place : New Delhi  
Date : 16.04.2023

## CORPORATE GOVERNANCE REPORT

Annexure-2

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of  
IRCON INTERNATIONAL LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IRCON INTERNATIONAL LIMITED** having **CIN: L45203DL1976GOI008171** and having its office at **Plot No. C - 4, District Centre Saket, New Delhi - 110017** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below during the Financial Year **31<sup>st</sup> March 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company	Date of Cessation
1.	Shri Brijesh Kumar Gupta	10092756	29/03/2023	-
2.	Shri Yogesh Kumar Misra	07654014	28/12/2018	-
3.	Shri Parag Verma	05272169	21/09/2022	-
4.	Smt. Ragini Advani	09575213	19/04/2022	-
5.	Shri Sandeep Jain	09435375	12/01/2023	-
6.	Shri Dhananjaya Singh	08955500	10/11/2020	-
7.	Shri Ajay Kumar Chauhan	09394953	11/11/2021	-
8.	Smt. Ranjana Upadhyay	07787711	16/11/2021	-
9.	Shri Dipendra Kumar Gupta	09398271	16/11/2021	-
10.	Dr. Kartik Chandulal Bhadra	09453387	31/12/2021	-
11.	Shri Rajesh Argal	09171980	13/05/2021	31/07/2022
12.	Shri Mohit Sinha	00843548	03/12/2021	19/04/2022
13.	Shri Shyam Lal Gupta	07598920	01/11/2019	31/12/2022
14.	Shri Ram Prakash	09746225	23/09/2022	31/01/2023

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Kumar Naresh Sinha & Associates**  
(Company Secretaries)

Sd/-  
**CS Naresh Kumar Sinha**  
(Proprietor)  
FCS: 1807; CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807E000465820

Place: Noida  
Date: June 7, 2023



## CORPORATE GOVERNANCE REPORT

Annexure-3

### TO WHOMSOEVER IT MAY CONCERN

To,  
The Board of Directors,  
**Ircan International Limited**,  
C-4, District Centre, Saket,  
New Delhi- 110017

Dated: 23-05-2023

We have reviewed the financial statements and the cash flow statement for the year 2022-23 and that to the best of our knowledge and belief:

- (A) (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;  
(2) 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.
- (B) There 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 code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of Significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-  
**(B. Mugunthan)**  
Chief Financial Officer

Sd/-  
**(Brijesh Kumar Gupta)**  
Chairman & Managing Director and CEO  
(Additional Charge)  
(DIN: 10092756)

## CORPORATE GOVERNANCE REPORT

Annexure-4

### CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE FY 2022-23

To,  
The Members of  
**Ircan International limited**

1. We have examined the compliance of conditions of Corporate Governance by **Ircan International Limited** ("the Company"), for the year ended on **March 31, 2023**, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as stipulated in the guidelines of Department of Public Enterprises (DPE) on Corporate Governance for Central Public Sector Undertakings issued in May 2010.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations and DPE guidelines on Corporate Governance.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations and DPE guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations and DPE guidelines on Corporate Governance during the year ended **March 31, 2023** subject to the following:

**Half of the board of directors of the Company was not independent as required under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.**

We further state 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.

Place: Noida  
Date: June 7, 2023

**For, Kumar Naresh Sinha & Associates**  
(Company Secretaries)

Sd/-  
**CS Naresh Kumar Sinha**  
(Proprietor)  
FCS: 1807 CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807E000465732



# Business Responsibility and Sustainability Report

## Section A

### General Disclosure

#### I. Details of the listed entity

1.	<b>Corporate Identity Number (CIN) of the listed entity</b>	L45203DL1976GOI008171
2.	<b>Name of the Listed Entity</b>	Ircon International Limited
3.	<b>Year of Incorporation</b>	28.04.1976
4.	<b>Registered Office Address</b>	C-4, District Centre, Saket, New Delhi – 110017
5.	<b>Corporate Address</b>	C-4, District Centre, Saket, New Delhi – 110017
6.	<b>E-mail</b>	investors@ircon.org
7.	<b>Telephone</b>	011-26530266
8.	<b>Website</b>	www.ircon.org
9.	<b>Financial year for which reporting is being done</b>	2022-23
10.	<b>Name of Stock Exchange(s) where shares are listed</b>	1) National Stock Exchange of India Limited 2) BSE Limited
11.	<b>Paid-up Capital</b>	₹ 1,881,031,480
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Dr. Subhash Chand Executive Director (Electricals) 011-26530245 subhash.chand@ircon.org
13.	<b>Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)</b>	The disclosures made under this report are on a consolidated basis (including all subsidiaries). However, details of Board of Directors and KMPs wherever appearing in this report are on Standalone basis.

#### II. Products/Services

##### 14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1.	Construction	Roads, Railway and utility projects.	97%

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Construction & maintenance of Railways & Rail Bridges.	42102	91%
2.	Construction & maintenance of motorways, streets, roads, other vehicular & pedestrian ways, highways, bridges, tunnels and subways.	42101	6%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated

Sl. No.	Location	Number of Plants	Number of Office	Total
1.	National	NA	64	64
2.	International	NA	6	6

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	20 (1 UT)
International (No. of Countries)	5

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

4.01%

##### c. A brief on types of customers

Since its inception, IRCON has played an integral role in the creation of transformative infrastructure assets. IRCON has successfully executed numerous pioneering infrastructural projects, contributing to India's economic growth and enhancing its global standing. A majority of IRCON's projects are awarded by government authorities, including the Ministry of Railways, the National Highways Authority of India, the National High Speed Rail Corporation Limited, the Chennai Metro Rail Limited, the Dedicated Freight Corridor Corporation of India Limited, the Airports Authority of India, the Rail Land Development Authority, the National Capital Region Transport Corporation, and the Delhi Metro Rail Corporation, among others, for domestic projects. Similarly, international projects are awarded by foreign government authorities, such as the Bangladesh Railway, the Sri Lanka Railway, the Algerian Railway, the Ministry of Transport, Malaysia, and the Ministry of External Affairs. IRCON actively participates in competitive bidding processes initiated by these authorities to secure significant and high-value projects in both the domestic and international markets.

IRCON has successfully completed a total of over 400 domestic projects and 128 international projects for diverse clients, maintaining a steadfast commitment to client satisfaction and timely delivery of high-quality outcomes. This unwavering dedication to excellence has been a cornerstone of IRCON's operations.

### IV. Employees

#### 18. Details as at the end of Financial Year

##### a. Employees and workers (including differently-abled)

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	932	881	94.52%	51	5.47%
2.	Other than permanent (E)	412	398	96.60	14	3.39%
3.	<b>Total Employees (D + E)</b>	<b>1344</b>	<b>1279</b>	<b>95.16%</b>	<b>65</b>	<b>4.83%</b>
<b>Workers</b>						
4.	Permanent (F)	Not Applicable				
5.	Other than permanent (G)					
6.	<b>Total Workers (F + G)</b>					



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### b. Differently abled Employees and worker

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	6	6	100%	-	-
2.	Other than permanent (E)	0	0	-	-	-
3.	<b>Total differently abled employee (D+E)</b>	<b>6</b>	<b>6</b>	<b>100%</b>	-	-
<b>Differently abled workers</b>						
4.	Permanent (F)	Not Applicable				
5.	Other than permanent (G)					
6.	<b>Total differently abled workers (F+G)</b>					

### 19. Participation/Inclusion/Representation of women

Particulars*	Total (A)	No. & Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel	2	1	50%

\*Company Secretary and Chief Financial Officer are covered under Key Management Personnel. Directors who are Key Management Personnel covered under Board of Directors.

### 20. Turnover rate for permanent employees and workers

Particulars	Turnover rate in 2022-23			Turnover rate in 2021-22			Turnover rate in 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.78%	13.79%	9.06%	7.43%	2.83%	6.84%	8.13%	3.24%	7.85%
Permanent Workers	Not Applicable								

### V. Holdings, Subsidiaries and Associate Companies (including joint ventures)

#### 21. Names of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding/subsidiary/associate/companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Ircon Infrastructure & Services Limited	Subsidiary	100%	Yes
2	Ircon Shivpuri Guna Tollway Limited	Subsidiary	100%	Yes
3	Ircon PB Tollway Limited	Subsidiary	100%	Yes
4	Ircon Davanagere Haveri Highway Limited	Subsidiary	100%	Yes

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Sl. No	Name of the holding/subsidiary/associate/companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
5	Ircon Vadodara Kim Expressway Limited	Subsidiary	100%	Yes
6	Ircon Gurgaon Rewari Highway Limited	Subsidiary	100%	Yes
7	Ircon Haridwar Bypass Limited	Subsidiary	100%	Yes
8	Ircon Ludhiana Rupnagar Highway Limited	Subsidiary	100%	Yes
9	Ircon Bhoj Morbe Expressway Limited	Subsidiary	100%	Yes
10	Ircon Akloli-Shirsad Expressway Limited	Subsidiary	100%	Yes
11	Ircon Renewable Power Limited	Subsidiary	76%	Yes
12	Chhattisgarh East Railway Limited	Joint Venture	26%	NA
13	Chhattisgarh East-West Railway Limited	Joint Venture	26%	NA
14	Mahanadi Coal Railway Limited	Joint Venture	26%	NA
15	Jharkhand Central Railway Limited	Joint Venture	26%	NA
16	Bastar Railway Private Limited	Joint Venture	26%	NA
17	Indian Railway Stations Development Corporation Limited	Joint Venture	26%	NA
18	Ircon-Soma Tollway Private Limited	Joint Venture	50%	NA

### VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No) Yes, CSR is applicable to IRCON International Limited.

	<b>FY 2022-23</b>
(ii) Turnover (in ₹)	102,616,206,033
(iii) Net worth (in ₹)	51,784,784,486



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### VII. Transparency and Disclosure Compliances

#### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. <a href="https://pgportal.gov.in/cpgoffice/">https://pgportal.gov.in/cpgoffice/</a>	32	4	Complaints pending at the close of the year have been resolved/ disposed of within the scheduled time	30	8	Complaints pending at the close of the year have been resolved/ disposed of within the scheduled time
Investors (other than shareholders)	-	-	-	-	-	-	-
Shareholders	Yes. <a href="https://www.scores.gov.in/scores/Welcome.html">https://www.scores.gov.in/scores/Welcome.html</a>	10	0	-	508	0	-
Employees & Workers	Yes. <a href="https://pgportal.gov.in/cpgoffice/">https://pgportal.gov.in/cpgoffice/</a>	6	1	Complaints pending at the close of the year have been resolved/ disposed of within the scheduled time	3	3	Complaints pending at the close of the year have been resolved/ disposed of within the scheduled time
Customers	NA	NIL	NIL	-	NIL	NIL	-
Value Chain Partners	Yes. <a href="https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx">https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx</a>	2	2	Complaints pending at the close of the year have been resolved/ disposed of within the scheduled time	7	4	Complaints pending at the close of the year have been resolved/ disposed of within the scheduled time
Other (Please specify)	-	-	-	-	-	-	-

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change and Action	Risk	Extreme weather events, sea-level rise, and changing regulations pose threats to railway infrastructure, leading to operational disruptions, financial losses, and reputational damage. Adapting infrastructure for resilience, meeting stricter environmental policies, and addressing supply chain disruptions become imperative considerations. Stakeholder pressure and long-term viability concerns also drive the need to acknowledge and manage climate-related risks effectively.	Incorporating energy audits and switch to energy efficient technology.	Negative Implication
2.	Water Management	Risk/ Opportunity	We recognize the challenges posed by water scarcity, climate change impacts, regulatory compliance, and environmental concerns. Emphasizing efficient water usage not only reduces costs but also demonstrates our commitment to environmental stewardship. Adhering to water-related regulations ensures smooth operations and avoids any potential penalties or project delays.	Ensuring compliance to statutory provisions and incorporating judicious use and re-use of water.	Positive/Negative Implication
3.	Waste Management	Risk/ Opportunity	We acknowledge the significance of addressing waste challenges, including proper disposal, recycling, and minimizing environmental impacts. Implementing effective waste management practices not only aligns with our commitment to sustainability but also contributes to a positive image within the communities we operate. Non-compliance with waste regulations can lead to disruptions and reputational risks, underscoring the need for adherence to waste management guidelines. Embracing waste management as an opportunity allows us to explore innovative solutions, reduce waste generation, and support our sustainable development goals.	Incorporating an efficient waste collection and disposal mechanism, with regular record keeping.	Positive/Negative Implication



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Environment Management & Compliance	Risk	We recognize the potential risks associated with non-compliance, including regulatory penalties, project delays, and reputational harm. By prioritizing environmental compliance, we demonstrate our commitment to responsible business practices and safeguarding the environment. Ensuring adherence to environmental regulations not only mitigates risks but also strengthens our relationships with stakeholders and communities. Proactive measures to meet compliance standards can lead to smoother project execution and operational continuity.	Ensure compliance to all statutes as an when required and keeping updated with respective changes made on the same	Negative Implication
5.	Sustainable Construction & Technological Innovation	Opportunity	Embracing eco-friendly practices enhances our reputation, attracts environmentally conscious clients, and reduces our environmental impact. Adopting innovative technologies improves efficiency, resource utilization, and competitiveness in the market.	Incorporating reduce, reuse and recycle strategies whenever applicable and switching to efficient technology to bridge gaps.	Positive Implication
6.	Sustainable Supply Chain	Opportunity/Risk	The sustainable supply chain represents both a risk and an opportunity for IRCON. Supply chain disruptions and non-compliant suppliers pose risks to our operations and reputation. However, embracing sustainable practices presents opportunities to enhance our environmental impact, attract like-minded clients and investors, foster innovation, and contribute to a more responsible industry.	Ensuring safe and quality procurement of goods.	Positive/Negative Implication
7.	Health & Safety	Opportunity/Risk	Health and safety represent both risks and opportunities for IRCON. Neglecting these aspects can lead to accidents, legal liabilities, delays, and reputational damage. However, prioritizing health and safety measures fosters a positive work environment, reduces accidents, attracts skilled workers,	Ensuring the smooth functioning of the Safety protocols and updating the ISO45001 as and when required.	Positive/Negative Implication

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			and ensures compliance with regulations. Proactive investment in health and safety contributes to our organization's long-term success and sustainability.		
8.	Human Rights, Diversity & Inclusion	Risk	Human rights, diversity, and inclusion represent potential risks for IRCON if not properly addressed. Failure to uphold these principles could lead to reputational damage, legal disputes, decreased productivity, and strained relationships with stakeholders. Proactively promoting human rights, diversity, and inclusion fosters a positive work environment, attracts top talent, enhances innovation, and demonstrates our commitment to social responsibility. Integrating these considerations into our core values and operations contributes to a more resilient and sustainable organization, positively impacting our long-term success.	Incorporating human rights trainings and awareness programs into the system. Working on improving the assessments regarding human rights issues within the organization.	Negative Implication
9.	Employee Engagement & Wellbeing	Opportunity	Employee engagement and well-being offer valuable opportunities for IRCON. Prioritizing these aspects leads to a motivated and committed workforce, resulting in increased productivity, efficiency, and overall success. Supporting employee well-being creates a positive work environment, reduces turnover, and enhances physical and mental health, contributing to improved performance and safety.	-	Positive Implication
10.	Community Development	Opportunity	By engaging with and investing in local communities, we can build strong relationships, create positive impacts, and foster goodwill. Tailoring projects to address community needs and concerns strengthens IRCON's reputation as a responsible and community-minded organization. Community development initiatives also lead to socio-economic growth, smoother project execution, and increased support from local stakeholders.	-	Positive Implication



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Data Privacy & Cybersecurity	Opportunity	Prioritizing the protection of sensitive data and implementing robust cybersecurity measures enhances our reputation as a trusted partner and builds confidence among clients and stakeholders. Complying with regulations reduces legal risks and improves operational efficiency. Embracing data privacy and cybersecurity as opportunities allows us to innovate, stay competitive, and gain a competitive edge. Investing in these areas demonstrates our commitment to security and reliability, contributing to our long-term success and sustainability in the industry.	-	Positive Implication
12.	Risk Management	Risk/ Opportunity	Risk management presents both risks and opportunities for IRCON. Inadequate practices can lead to project delays, cost overruns, and reputational damage. However, proactive and effective risk management can mitigate threats, capitalize on opportunities, improve decision-making, and foster a culture of innovation. Prioritizing risk management is crucial for ensuring our organization's long-term success and sustainability.	Ensuring the risk register is updated regularly.	Positive/Negative Implication
13.	Business Ethics, Accountability & Transparency	Opportunity	Embracing ethical practices enhances our reputation, builds trust with stakeholders, and attracts socially conscious clients and investors. Being accountable and transparent fosters a positive work environment, improves risk management, and complies with regulations. Stakeholders value organizations that prioritize these principles, leading to long-term relationships and potential business opportunities.	-	Positive Implication
14.	Disaster Management	Risk	Disaster management is a significant risk for IRCON due to the potential impact of natural disasters and unforeseen emergencies. Inadequate preparedness can lead to project delays, financial losses, and reputational damage. Addressing this risk involves investing in	Incorporating a disaster management strategy as apart of the organizational SOP.	Negative Implication

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			resilience and contingency planning, reinforcing infrastructure, developing evacuation plans, and conducting regular drills. Proactive disaster management ensures safety, protects assets, and maintains operational continuity, demonstrating our commitment to safety and social responsibility, enhancing our reputation, and instilling stakeholder confidence in our organization.		
15	Corporate Governance	Opportunity	Corporate governance presents an opportunity for IRCON by enhancing efficiency, building trust with stakeholders, ensuring compliance, and promoting a culture of accountability and ethical behavior, contributing to long-term success and sustainability.	-	Positive Implication

### Section B

#### Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sl. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	<a href="https://rb.gy/c552c">https://rb.gy/c552c</a>								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	Yes	No
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	-	-	ISO:45001: Occupational Health and Safety Management Systems	-	-	ISO:14001 Environment Management Systems	-	-	-



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Sl. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	<b>Specific commitments, goals and targets set by the entity with defined timelines, if any</b>	IRCON will be setting various commitments, goals and targets pertaining to the NGRBC principles. The company has aligned efforts to various national targets / schemes in the areas of energy, community development and environment sustainability. We will be implementing various ISO standards in coming year to align ourselves as per NGRBC principle, this will assist us in commitment towards achieving goals set under Sustainable Development goals & NGRBC principles. ISOs to be implemented in following year:								
6.	<b>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	<ol style="list-style-type: none"> <li>ISO 26000 – Social Responsibility</li> <li>ISO 20400 – Sustainable Procurement</li> <li>ISO 37001 – Anti-bribery Management System</li> </ol>								
<b>Governance, leadership and oversight</b>										
7.	<b>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</b>	<p>IRCON as an organization believes in its firm adherence to long term development driven by sustainable development. Our principles reflect our dedication to upholding the highest standards of ethical business conduct and adopting best practices. Our approach to ESG, despite having sincere concerns entails a commitment to prioritize transparent governance systems, investing in employee well-being, deliverance of quality projects of high caliber and ensuring an environment of inclusivity and diversity in our workplaces.</p> <p>Looking ahead, we are optimistic about the future of our company. Our steadfast dedication to corporate governance and ESG principles provides a solid foundation for our continued growth, resilience, and reputation as a responsible and forward-thinking organization. By aligning our values with actions, we are confident that we will continue to achieve success, both in business and in our contributions to a sustainable and prosperous future for all stakeholders involved.</p>								
8.	<b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	Director (Works) – Shri Parag Verma Nodal Officer – ED (Electrical) – Dr. Subhash Chand								
9.	<b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details</b>	<p>Yes, IRCON incorporates its decision making on sustainability issues through the Corporate Social Responsibility &amp; Sustainability Committee. The following are the members of the committee as on 31.03.2023:</p> <ol style="list-style-type: none"> <li>Smt. Ranjana Upadhyay, Chairperson;</li> <li>Shri. Dhananjaya Singh, Member;</li> <li>Shri Parag Verma, Member</li> </ol>								

### 10. Details of Review of NGRBCs by the Company:

Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, by the Committee/Board.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes

Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Subject for Review	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As and when required								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	As and when required								

### 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).

If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes, by Vision360 Management Consulting.									

### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## Section C

### Principle wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity, in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

##### 1. Percentage coverage by training and awareness programs on any of the principles in the financial year:

Segment	Total no. of training and awareness programs held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programs
Board of Directors	4	1. International Technical Seminar of IPWE 2. Orientation programs (2 training programs) 3. Master class on building better boards	60%
Key Management Personnel	6	1. Prevention of Sexual Harassment 2. Budget 3. Company Law including Standards	50%



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Segment	Total no. of training and awareness programs held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programs
Employees other than BOD and KMPs	4	1. Gender equality and women empowerment 2. Training on prevention of sexual harassment 3. Training on ISO & SHE	4.61%
Workers	NA	NA	NA

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies / judicial institutions in the financial year, in the following format.**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
<b>Monetary</b>					
Penalty/Fine			NIL		
Settlement					
Compounding fee					
<b>Non-Monetary</b>					
Imprisonment					
Punishment			NIL		

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy**

Yes, IRCON follows the Central Vigilance Manual, a comprehensive guide that provides principles, procedures, and best practices for combating corruption and bribery. It serves as a valuable resource for IRCON, outlining measures to prevent corruption, conduct investigations, and take disciplinary actions. The manual emphasizes transparency, integrity, and accountability, and provides guidance on implementing anti-corruption policies and internal control systems. It addresses corruption risks in various areas, such as procurement and financial management. By following the manual, IRCON aims to establish a strong anti-corruption framework, build public trust, and foster a culture of integrity within the organization.

Apart from this, the Company also has a Fraud Prevention and Detection Policy in place for any fraud or suspected fraud involving employees of IRCON as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency/agencies doing any type of business with IRCON and a Whistle-blower Policy meant for employees to raise any ethical issues within the organization.

Additionally, the Company has adopted a Code of Conduct for all the Board Members and Senior Management and Whole-time Directors.

IRCON, being a listed Public Sector Enterprise, conducts and governs itself with the Ethics, Transparency and Accountability policies mandated under SEBI Regulations, the Companies Act 2013, Department of Public

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Enterprises (DPE) Guidelines, and other policies of the Government of India as applicable from time to time. All these policies cover the Company and its employees and directly/indirectly extend to its subsidiary companies. The Joint Venture Companies have their own set of principles and procedures, broadly in line with the Government's policies.

Web-Link: CVM – [http://cvc.nic.in/cvc\\_instruct.htm](http://cvc.nic.in/cvc_instruct.htm)

Fraud Prevention and Detection Policy: <https://ircon.org/images/file/cosecy/FPDC%20Policy%20CMD.pdf>

Whistle Blower's Policy: <https://ircon.org/images/file/cosecy/Whistle-Blower-Policy.pdf>

**5. Number of directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs		
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

### Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	NA	NA	NA

**2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No

**b. If yes, what percentage of inputs were sourced sustainably?**

NA



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

a) Plastic waste	NA
b) E- waste	NA
c) Hazardous Waste	NA
d) Other waste	NA

### 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable.

**Principle 3: Businesses should respect and promote the well-being of all employees including those in their value chains.**

#### Essential Indicators

#### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent employees</b>											
Male	881	NIL	NIL	NIL	NIL	NA	NA	881	100%	NIL	NIL
Female	51	NIL	NIL	NIL	NIL	51	100%	NA	NA	NIL	NIL
Total	932	NIL	NIL	NIL	NIL	51	5.47%	881	94.52%	NIL	NIL
<b>Other than Permanent employees</b>											
Male	398	398	100%	NIL	NIL	NA	NA	NIL	NIL	NA	NA
Female	14	14	100%	NIL	NIL	14	100%	NA	NA	NA	NA
Total	412	412	100%	NIL	NIL	14	3.39%	NIL	NIL	NA	NA

#### b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent workers</b>											
Male	Not Applicable										
Female											
Total											
<b>Other than Permanent workers</b>											
Male	Not Applicable										
Female											
Total											

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others	-	-	-	-	-	-

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

IRCON ensures compliance with the Rights of Persons with Disabilities Act, 2016 by designing its office premises in a manner that promotes accessibility and inclusivity for employees and workers with disabilities. The company has implemented various features to achieve this goal. The following are notable features:

- Sensor-equipped Automated Doors:** IRCON has installed automated doors with sensors, facilitating easy access for individuals with mobility challenges. These doors automatically open when triggered by the presence of a person, ensuring convenience and smooth entry.
- Lift Facilities:** To ensure vertical accessibility, IRCON has installed lifts that adhere to accessibility standards. These lifts enable employees and workers with mobility limitations to effortlessly access different floors of the office building, promoting ease of movement and convenience.
- Provision of Wheelchairs:** IRCON provides wheelchairs for employees and workers with mobility challenges. These wheelchairs are available within the office premises and can be used by individuals who require them to move around the workplace comfortably. This provision promotes inclusivity and ensures that employees with mobility limitations can navigate the office environment with ease. A provision for a liaison is made at the premises as per requirements of the employee.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, IRCON has a specific Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016.

The policy ensures that all employees, regardless of their race, gender, age, disability, religion, or any other protected characteristic, have equal access to employment opportunities, benefits, and advancement. The policy prohibits any form of discrimination, harassment, or bias in all aspects of employment, including recruitment, hiring, training, promotions, compensation, and termination. The policy in line with the Rights of Persons with Disabilities Act, 2016 incorporates accommodations to employees with disabilities, ensuring they have equal access to job opportunities and the necessary support to perform their roles effectively.

Furthermore, the policy incorporates a robust grievance redressal mechanism to address any instances of discrimination faced by individuals with disabilities within the organization.

Web Link – [https://ircon.org/index.php?option=com\\_content&view=article&id=212&Itemid=606&lang=en](https://ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en)

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	0	0
Female	100%	100%	0	0
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>0</b>	<b>0</b>



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. Yes/No (If Yes, then give details of the mechanism in brief)

Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, the organization utilizes CPGRAMS to receive and redress employee grievances. CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address employee grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal.
Other than Permanent Employees	Yes, the organization utilizes CPGRAMS to receive and redress employee grievances. CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address employee grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal.

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	Not Applicable					
Male						
Female						
<b>Total Permanent Workers</b>						
Male						
Female						

### 8. Details of training given to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health & safety measures		On skill upgradation		Total (D)	On health & safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1279	18	1.40%	35	2.73%	1211	147	12.13%	-	-
Female	65	0	-	2	3.07%	67	37	55.22%	-	-
Total	1344	18	1.33%	37	2.75%	1278	184	14.39%	-	-
<b>Workers</b>										
Male	Not Applicable									
Female	Not Applicable									
Total	Not Applicable									

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### 9. Details of performance and career development reviews of employees and worker

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1279	881	68.88%	1211	901	74.40%
Female	65	51	78.46%	67	53	79.10%
Total	1344	932	69.34%	1278	954	74.64%
<b>Workers</b>						
Male	Not Applicable					
Female	Not Applicable					
Total	Not Applicable					

### 10. Health and safety management system:

#### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, IRCON has established and implemented an Occupational Health and Safety (OH&S) Management System in accordance with ISO 45001-2018. The organization has determined the necessary processes and their application throughout the organization. This includes identifying the inputs and outputs of each process, as well as creating an Inter-relation Matrix to illustrate their relationships. The sequence and interaction of processes have been determined, and criteria and methods, including monitoring, measurements, and performance indicators, have been applied to ensure effective operation and control. Resources have been allocated and made available for the processes, and responsibilities and authorities have been assigned accordingly. Risks and opportunities have been addressed, and processes are regularly evaluated and improved to achieve their intended results. IRCON maintains documented information to support process operations and retains documentation to ensure adherence to planned processes.

#### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

IRCON through their Occupational Health and Safety Manual has established a process for identifying and assessing aspects/hazards, with an assessment mechanism based on their significance. During the initial stage of project execution, major hazards are identified, tabulated, and communicated to the construction team. A comprehensive inventory of all aspects and OH&S hazards are periodically reviewed & updated based on the initial review and group risk assessment. Several factors are addressed, including storage, handling, and disposal of construction & hazardous materials, plant & machinery activities, construction activities & related standard operating procedures, and infrastructure facilities. For OH&S risk assessment, aspects with significant impacts on employee health and safety, such as physical, chemical, and biological factors, are identified. Probability and severity factors are used to rate the assessment, with a scale ranging from "Always" to "Never" for probability and from "Permanent/partial disability with hospitalization or death" to "No harm" for severity. The risk rating is determined by multiplying the probability and severity factors together. If the risk rating is 3 or higher, it is considered intolerable, and control measures should be developed and implemented. The OH&S risk levels are defined as Extreme, High, Moderate, Low, and Trivial based on specific criteria.

#### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, following an incident or accident, the Person in Charge of Health and Safety (PH/SO) will initiate an investigation in collaboration with the Sub-contractor's safety officer and other site staff to determine the cause(s) of the incident/accident and suggest appropriate remedial actions. The incident/accident report form will be completed, and the PH/SO will identify the necessary steps to be taken. Furthermore, the Safety Officer will present the report to the Safety Committee and also share it during the Project Quality Council Meeting.

#### d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, IRCON ensures that its employees have access to non-occupational medical and healthcare services. The company provides a range of benefits to both permanent and non-permanent employees, including outdoor and indoor treatment reimbursement, sanctions for medical advances, ambulance charges and other complete health checkup benefits. Apart from this IRCON has a medical trust set up that provides assistance to employees under different circumstances.



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### 11. Details of safety related incidents

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NA	NA
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NA	NA
No. of fatalities	Employees	NIL	NIL
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NA	NA

\*IRCON does not have any workers on its pay-roll, we only have workers through contractors.

### 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

IRCON takes several measures to ensure a safe and healthy workplace. The company conduct regular hazard identification and risk assessments, including safety drills for various scenarios. Stringent safety measures are in place at project sites to prioritize the well-being of employees and workers. This includes the implementation of Safety Standard Operating Procedures (SOPs) and comprehensive training programs. Regular pre-medical checkups are conducted at scheduled intervals to monitor the health of personnel. Following the principles of the Industrial Safety hierarchy, the project emphasizes a systematic approach to risk mitigation. The hierarchy involves the steps of elimination, substitution, engineering control and administrative control. Hazards are first eliminated whenever possible, followed by substituting hazardous elements with safer alternatives. Engineering controls are implemented to design a safer work environment, while administrative controls establish procedures and guidelines to manage risks effectively. Finally, when necessary, appropriate PPE is provided to ensure worker safety. Through the consistent application of this safety hierarchy, the project endeavors to identify and address potential hazards, fostering a culture of safety and responsibility throughout the project site.

### 13. Number of Complaints on the following made by employees and workers

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

### 14. Assessment for the year

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	90%
Working Conditions	90%

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The following are the corrective actions taken to address safety related incidents:

- Adoption and implementation of staging surrounding every liner driving of pile at project site – Resulting of no cave-in of any workmen's during piling work.
- Pile load Test Using "Crown Anchor Reaction Method" that reduces the probability of near miss during execution of pile testing.
- Slope stabilization and protection make the execution area safer and more stable during movement of workmen's and machinery. This helps in reducing the chances of fatality and safe working manhours.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The process of identifying key stakeholder groups for IRCON encompasses several steps. Initially, it involves clearly defining IRCON's purpose and role within the industry. Subsequently, both internal and external stakeholders are identified, taking into account their respective interests and concerns.

As a listed EPC contractor in the infrastructure sector, there are several key stakeholder groups that are considered, these include investors and shareholders, employees and workers, clients or employers, vendors, sub-contractors, consultants, the community, and the end users of the infrastructure. The selection of client/employers is typically based on the company's business interests. Vendors, sub-contractors, and consultants are identified and chosen according to project requirements and contract conditions. The responsibility for the end users of the infrastructure facility typically lies with the client/employer, unless the contract provisions allow for involvement by the EPC contractor. Investors, shareholders, employees, and workers are integral parts of the entity itself.

IRCON can successfully understand and engage with stakeholders, effectively addressing their needs and concerns, and cultivating positive relationships through the stakeholder engagement process. Such a strategic approach enables IRCON to optimize project execution, enhance client satisfaction, collaborate effectively with government agencies, and generate value for its shareholders and other stakeholders, thereby achieving improved overall outcomes.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	No	- Annual reports - Press releases & shareholder meetings - Investors' meet - Stock exchange intimations - Emails, SMS, newspapers, postal services and website.	Annual, Periodic, Quarterly	Focus is on creating shareholders wealth.  Key topics: i) Financial Performance ii) Payment of Dividend iii) Business Performance iv) Corporate Governance
Employees	No	- Internal HR communications, web portals, circulars and office orders - Meetings, emails, calls, notice board - Training and appraisals - Cultural events	On a regular basis	Key topics: i) Information ii) Events, iii) Trainings, iv) Business activities
Vendors/ Contractors	No	- Meetings - Procurement portals - Emails	As and when required	-
Clients	No	- Meetings - Procurement portals - Emails	Need based	Business activities
Community	Yes	- Onsite community meetings - Local campaigns	Need based	Audits, Feedbacks



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### Principle 5: Businesses should respect and promote human rights

#### Essential Indicators

##### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	932	107	11.48%	954	-	-
Other than permanent	412	2	0.49%	324	-	-
<b>Total Employees</b>	<b>1344</b>	<b>109</b>	<b>8.11%</b>	<b>1278</b>	-	-
<b>Workers</b>						
Permanent	Not Applicable					
Other than permanent						
<b>Total Workers</b>						

##### 2. Details of minimum wages paid to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	881	-	-	881	100%	901	-	-	901	100%
Female	51	-	-	51	100%	53	-	-	53	100%
<b>Other than permanent</b>										
Male	412	-	-	412	100%	306	-	-	306	100%
Female	14	-	-	14	100%	12	-	-	12	100%
<b>Workers</b>										
<b>Permanent</b>										
Male	Not Applicable									
Female										
<b>Other than permanent</b>										
Male	Not Applicable									
Female										

##### 3. Details of remuneration/salary/wages

(in ₹ Crore)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	2	54,23,954	1	39,86,563
Key Managerial Personnel*	1	38,14,925	1	31,80,154
Employees other than BoD and KMP	860	15,54,485	48	15,66,923
Workers	NA	NA	NA	NA

\* For median calculation purpose, remuneration (i.e. Sitting Fees) of Independent Directors are excluded.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

#### Notes:

- KMP includes CS and CFO (ED/Finance).
- BOD includes CMD and Whole Time Director's only as on 31.03.2023.
- Definition of Median: In Mathematics, the median is defined as the middle value of a sorted list of numbers, hence employee's salary sorted in ascending order and median salary amount calculated.
- Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**  


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Yes
- Describe the internal mechanisms in place to redress grievances related to human rights issues.**  

IRCON utilizes CPGRAMS to receive and redress employee grievances related to human rights issues. CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address stakeholder grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal.
- Number of Complaints on the following made by employees and workers**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labor	NIL	NIL	-	NIL	NIL	-
Forced Labour/Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages			-			-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

##### 7. Mechanisms to prevent adverse consequences to the complaints in discrimination and harassment cases.

To prevent adverse consequences for complainants in discrimination and harassment cases, several mechanisms can be employed. These include ensuring strict confidentiality of complainants' identities and details, implementing robust non-retaliation policies to protect them from reprisals, establishing whistleblower protection measures for anonymous reporting, conducting independent and unbiased investigations, providing adequate remedies such as disciplinary actions and support for complainants, offering ongoing training and awareness programs, implementing external reporting mechanisms, and conducting regular reviews and evaluations. By implementing these mechanisms, IRCON creates a safe and supportive environment for individuals to report complaints, address issues effectively, and prevent adverse consequences for complainants in discrimination and harassment cases.

##### 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

9. Assessments for the year	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others-please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

None

### Principle 6: Businesses should respect and make efforts to protect & restore the environment

#### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	122,325.84 GJ	108,981.29 GJ
Total fuel consumption (B)	463,566.00 GJ	364,454.55 GJ
Energy consumption through other sources (C)	6744.25 GJ	6,744.25 GJ
<b>Total energy consumption (A+B+C)</b>	<b>592,636.09 GJ</b>	<b>480180.09 GJ</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.00002	0.00003
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No, the Company did not carry out independent assessment by an external agency

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company does not have any site identified as DCs under PAT scheme.

3. Provide details of the following disclosures related to water

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	112886	112800
(ii) Groundwater	112887	112850
(iii) Third party water	16489	16450
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>242262</b>	<b>242100</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>181294</b>	<b>181188</b>

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Parameter	FY 2022-23	FY 2021-22
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.000002	0.000001
<b>Water intensity (optional) - the relevant metric may be selected by the entity</b>	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No, the Company did not carry out independent assessment by an external agency

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	-	NA	NA
SOx	-	NA	NA
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others - please specify	-	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No, the Company did not carry out independent assessment by an external agency

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Please specify unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	34,183.30	28,035.47
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	24,295.27	21,644.89
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	-	0.0000005	0.0000006
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) - the relevant metric may be selected by the entity	-	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No, the Company did not carry out independent assessment by an external agency

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No, IRCON does not have any project related to reducing Green House Gas emissions.

8. Provide details related to waste management by the entity

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tons)</b>		
Plastic waste (A)*	-	-
E-waste (B)*	-	-
Bio-medical waste (C)	-	-



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Parameter	FY 2022-23	FY 2021-22
Construction and demolition waste (D)	0.811	0.854
Battery waste (E)	1.168	0.005
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Paper, Cardboard Waste	1.656	1.808
Ply Wood	0.671	0.503
<b>Total (A+ B + C + D + E + F + G + H)</b>	<b>4.31</b>	<b>3.17</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	4.31	3.17
(iii) Other disposal operations	-	-
<b>Total</b>	<b>4.31</b>	<b>3.17</b>

\*Plastic waste and E-waste are given to certified vendors; the record of the output is not available for the current and previous year. However, the records of the same will be maintained for the upcoming reporting periods.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No, the Company did not carry out independent assessment by an external agency

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

IRCON strives to incorporate practices that ensure minimal environmental impact, optimal resource usage and recycling, wherever applicable. The waste management practices circle around waste segregation, recycling initiatives, proper handling and disposal of hazardous waste. We have a fully functional water treatment plant in the corporate office that ensures the water leaving the system is treated adequately. Continuous improvement and compliance with regulations are integral to the approach, reflecting the company's commitment to sustainability and safety.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
		Not Applicable

Not Applicable

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	EIA Notification Number	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Specify the law/regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable			

Not Applicable

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do in a manner that is responsible and transparent**

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations 7  
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ Associations	Reach of trade and industry chambers/ associations (State/national)
1	Confederation of Indian Industry (CII) Northern Region	National
2	National Real Estate Development Council (NAREDCO)	National
3	PHD Chamber of Commerce & Industry (PHDCCI)	National
4	Standing Conference of Public Enterprises (SCOPE)	National
5	Project Export Promotion Council of India (PEPC)	National
6	Construction Industry Development Council (CIDC)	National
7	Indian International Centre (IIC)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NIL		

NIL

**Principle 8: Businesses should promote inclusive growth and equitable development**

### Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

Not Applicable



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### 2. Provide information on project(s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by your entity

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable					

### 3. Describe the mechanisms to receive and redress grievances of the community

CPGRAMS, also known as the Centralized Public Grievance Redress and Monitoring System, represents a prominent initiative by the Indian central government aimed at enhancing governance through the effective resolution of public grievances. In this regard, our organization, IRCON, utilizes this online platform to promptly address community grievances and efficiently track their status and progress. Each grievance is thoroughly reviewed by the respective department, and appropriate measures are taken to ensure timely redressal. We value the opportunity to engage with the public and remain committed to providing efficient and responsive services through the CPGRAMS portal.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	43.48%	66.92%
Sourced directly from within the district and neighboring district	NA	NA

\*Sourcing data for IRCON International Limited only

### Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators

### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

Not Applicable

### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NIL
Safe and responsible usage	NIL
Recycling and/or safe disposal	NIL

### 3. Number of consumer complaints

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of essential services	NIL	NIL	-	NIL	NIL	-

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other	NIL	NIL	-	NIL	NIL	-

### 4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, IRCON has a comprehensive framework for managing cyber crisis. This plan delineates diverse categories of cyber incidents, along with associated policies, actions, and responsibilities. Its purpose is to effectively prepare for, identify, exchange information about, respond to, and remediate malicious cyber incidents that could potentially impact critical business functions and processes. The plan underscores the necessity of adopting a coordinated and thorough approach to address cyber security incidents and breaches.

This plan draws its foundation from the 'Cyber Crisis Management Plan for countering cyber-attacks and cyber terrorism' formulated by CERT-In, MeitY, Government of India. It acknowledges the dynamic nature of cyber security, wherein technological progress brings forth new vulnerabilities, necessitating periodic updates to response strategies. Ideally, these updates should occur on an annual basis. The section concerning the nature of cyber crisis and contingencies identifies distinct types of threats and crisis that may target specific objectives. Its objective is to assess the impact of these crisis on critical business functions and services within IRCON, ultimately determining suitable response and mitigation measures.

The plan encompasses various organizational units within IRCON, including the corporate office, regional offices, and project offices. Additionally, it encompasses key business functions such as finance and accounts, human resources management, business development, plant maintenance, contract management, and project management.

Web Link: [https://ircon.org/index.php?option=com\\_content&view=article&id=212&Itemid=606&lang=en](https://ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en)

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NIL

Best Regards,

Sd/-

**(Brijesh Kumar Gupta)**

Chairman & Managing Director (L/A) & CEO  
(DIN:10092756)

Date: August 11, 2023

Place: New Delhi



# ANNUAL REPORT ON CSR ACTIVITIES

## 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Corporate Social Responsibility & Sustainability Policy (CSR Policy) of Ircon International Limited has been developed in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, Notified from time to time by the Ministry of Corporate Affairs, Government of India. CSR Policy of Ircon can be viewed on the Ircon International Limited website: [https://www.ircon.org/images/file/cosecy/CSR\\_Policy\\_Nov\\_2022\\_with\\_Annexures.pdf](https://www.ircon.org/images/file/cosecy/CSR_Policy_Nov_2022_with_Annexures.pdf)

The vision for CSR is to make CSR an important element of the working of the Company thereby addressing environmental, social and economic concerns of the society. As per objectives of the CSR Policy, all CSR activities are being implemented in project/ program mode in the areas or subjects specified under Schedule VII of the Act. While selecting CSR activities / projects from the activities listed in Schedule VII of the Act, priority is given to the issues which are of foremost concern in the national development agenda, like safe drinking water for all, provision of toilets especially for girls, health and sanitation, education etc. The main focus of CSR Policy is on sustainable development and inclusive growth, and to address the basic needs of the deprived, underprivileged, neglected and weaker section of the society, women/girl child, physically challenged etc. CSR activities / projects are selected by IRCON based on the Annual Theme, if any, announced by DPE or the Ministry of Railways and preference to the 'Local Area' in selecting the location of CSR activities are also given. The Company also considers undertaking or supporting CSR initiatives beyond its geography in alignment to other Thrust Areas and Affirmative Action on matters of national importance based on community need and exigencies including natural disasters etc involving stakeholders opinion and evaluative process.

The CSR Committee of the Board reviews and sanctions CSR project proposals, received from Project Implement Unit (PIU) level, for implementation. IRCON is utilizing the services of NGOs/ specialized external agencies, registered with the Ministry of Corporate Affairs and having a CSR Registration Number for implementation of CSR projects, apart

from involvement of the field level committees PIU for close monitoring, evaluation and feedback and impact assessment of CSR projects through an independent agency.

During the year 2022-23, few major CSR initiatives carried out in the fields of health, skill development etc. are stated below:

- Conducting Health Awareness & 66 Medical Camps in districts of Jammu & Kashmir for creating general health awareness amongst the villagers to introduce sense of wellbeing. More than 15 Doctors & 100 Para Medical Staff & Volunteers of Arogya Foundation of India organized 66 medical camps, in 66 villages and benefitted to 6600 (approx.) villagers. The services provided in these camps included general medical examination, monitoring of BP, Blood Sugar levels, along with treatment of common ailments, followed by dispensing of medicines.
- Establishing a Vision Centre in Aspirational district Jaisalmer of Rajasthan for detection of visual defects among school children thereby preventing the progress of eye disease through proper care and treatment. The project involved eye screening of 15000 school children in Jaisalmer district to ensure timely detection of refractive error among young children and provision of glasses to the identified students.
- Empowerment of Women through Skill Development Training Programmes" in Khora Colony, Dist. Ghaziabad, Uttar Pradesh by M/s Bisnoli Sarvodaya Gramodyog Sewa Sansthan (BSGSS), Agency has successfully imparted training in Cutting & Tailoring, Beauty Culture, Computer Operation and English Speaking to a total number of 639 women at the training center located at Sadhana Enclave, Sunday Market Main Road, Khora Colony, Ghaziabad, Uttar Pradesh.

IRCON continues to bring social change for the beneficiaries and society at large through its CSR activities in the future as well. All projects are implemented in true spirit of CSR and are in accordance with Schedule VII of Companies Act, 2013/DPE Guidelines and CSR policy of IRCON.

## ANNUAL REPORT ON CSR ACTIVITIES

### 2. COMPOSITION OF CSR COMMITTEE:

The Committee has been reconstituted as and when there has been a change in directors during the year. The composition of CSR Committee during the year was as follows: -

From 01.04.2022 till 31.07.2022	From 01.08.2022 till 31.12.2022	From 01.01.2023 till 31.03.2023
<b>Chairperson</b>		
Smt. Ranjana Upadhyay Independent Director	Smt. Ranjana Upadhyay Independent Director	Smt. Ranjana Upadhyay Independent Director
<b>Members</b>		
Shri Rajesh Argal Government Nominee (Part-Time Official Director)*	Shri Dhanajaya Singh, Government Nominee (Part-Time Official Director)	Shri Dhanajaya Singh, Government Nominee (Part-Time Official Director)
Shri Shyam Lal Gupta, Director (Projects)	Shri Shyam Lal Gupta, Director (Projects)**	Shri Parag Verma, Director (Works)

\*Director up to 31.07.2022

\*\*Director (Projects) up to 31.12.2022.

During FY 2022-23, the Committee met six (6) time on 26<sup>th</sup> May, 2022, 8<sup>th</sup> August, 2022, 31<sup>st</sup> August, 2022, 1<sup>st</sup> November, 2022, 8<sup>th</sup> December, 2022 and 30<sup>th</sup> December, 2022. The attendance details of the said meeting are: -

Name of Member	Meeting Date						Total Meetings held during the tenure	No. of Meetings attended
	26.05.2022	08.08.2022	31.08.2022	01.11.2022	08.12.2022	30.12.2022		
Smt. Ranjana Upadhyay	✓	✓	✓	✓	✓	✓	6	6
Shri Rajesh Argal	✓	-	-	-	-	-	1	1
Shri Dhanajaya Singh	-	✓	x	✓	x	x	5	2
Shri Shyam Lal Gupta	✓	✓	✓	✓	✓	✓	6	6
Shri Parag Verma	-	-	-	-	-	-	0	0

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

**Web Link as Follows:-**

- CSR committee: [https://www.ircon.org/index.php?option=com\\_content&view=article&id=209&Itemid=604&lang=en](https://www.ircon.org/index.php?option=com_content&view=article&id=209&Itemid=604&lang=en)
  - CSR Policy: [https://www.ircon.org/images/file/cosecy/CSR\\_Policy\\_Nov\\_2022\\_with\\_Annexures.pdf](https://www.ircon.org/images/file/cosecy/CSR_Policy_Nov_2022_with_Annexures.pdf)
  - CSR projects: [https://www.ircon.org/images/file/cosecy/Q-4\\_for\\_FY\\_2022-23.pdf](https://www.ircon.org/images/file/cosecy/Q-4_for_FY_2022-23.pdf)
4. Provide the execute summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

**Not applicable for this financial year. Further, none of the Completed CSR activities taken up during FY 2022-23 were ₹1 crore or above for which impact assessment is required.**



## ANNUAL REPORT ON CSR ACTIVITIES

5. (a) Average net profit of the company as per sub-section (5) of Section 135: **₹504.77 Crore.**  
 (b) Two percent of average net profit of the company as per Section 135(5): **₹10.10 Crore**  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**  
 (d) Amount required to be set off for the financial year, if any: **Nil**  
 (e) Total CSR obligation for the financial year [(b)+(c)- (d)]: **₹10.10 Crore**

		(₹ in crore)
(a)	Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)	<b>9.85</b>
(b)	Amount spent in Administrative Overheads :	<b>0.27</b>
(c)	Amount spent on Impact Assessment, if applicable. :	<b>Nil</b>
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	<b>10.12</b>

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.10	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	10.10
(ii)	Total amount spent for the Financial Year	10.12
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **Nil**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If yes, enter the number of Capital assets created/acquired:- **9 No. of assets has created.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **As enclosed as Annexure-A.**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sd/-  
**Shri Brijesh Kumar Gupta**  
 Chairman and Managing  
 Director (Additional charge)  
 (DIN 10092756)

Sd/-  
**Shri Parag Verma**  
 Director (Works) &  
 Member, CSR & Sustainability  
 Committee  
 (DIN 05272169)

Sd/-  
**Smt. Ranjana Upadhyay**  
 Chairperson,  
 CSR & Sustainability Committee  
 (DIN 07787711)

Date: August 08, 2023  
 Place: New Delhi

## ANNUAL REPORT ON CSR ACTIVITIES

### ANNEXURE - A

#### Details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	CSR Amount spent (₹ in Lakhs)	Details of entity / Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Construction of multi- purpose hall (300 capacity) at Tripura	799004	31.03.23	44.59	NA	Hedgevar Smarak Samiti, Sevadharm, West Tripura	Hedgevar Smarak Samiti, Sevadharm, West Tripura
2	Support towards purchase of school bus aiding the seamless commuting to educational institutions at Noida. The service is free, and no conveyance fee is collected from the students as all these children are underprivileged by M/s SAIKRIPA	201301	31.03.23	20.00	CSR00001904	SAIKRIPA, Bal Kutir, Z-133/134, Sector-12, Noida	SAIKRIPA, Bal Kutir, Z-133/134, Sector-12, Noida
3	Construction of public toilet in SDAC compound (SDM Rangpo office premises) by Sivok Rangpo Project	737136	31.03.23	4.78	NA	SDM Office East Sikkim	SDM Office East Sikkim
4	Installation of 20 solar lights in district of ramban by USBRL Project	182146	31.03.23	6.50	NA	Bankoot and Chapnari Village Banihal Tahsil, District Ramban	Bankoot and Chapnari Village Banihal Tahsil, District Ramban
5	Construction of School toilets for boys and girl and fencing of school compound at Bordang Govt. School, East Sikkim by Sivok Rangpo Project	737136	31.03.23	10.71	NA	Bordang Govt. School, East Sikkim	Bordang Govt. School, East Sikkim
6	Providing of Multi utility vehicle to district disaster control room, etc. at sikkim by Sivok Rangpo Project	737101	31.03.23	10.67	NA	Disaster Management Control, Sikkim	Disaster Management Control, Sikkim
7	Setting up of sanitary napkin units and bringing awareness about menstrual hygiene in school girls and communities by M/s Vatsalya.	193101	31.03.23	19.00	CSR00007982	Guthiyar village of Baramulla district.	Guthiyar village of Baramulla district
8	Providing Medical equipments to Divisional Railway Hospital, Bhopal and Implemented by Katni Project	462010	31.03.23	54.90	NA	Divisional Railway Hospital, Bhopal	Divisional Railway Hospital, Bhopal
9	Proposal for providing Laparoscopy surgery set for Railway Hospital Howrah, West Bengal. Proposal submitted by Divisional Railway Manager, Howrah and Implemented by Calcutta Office	711101	31.03.23	27.50	NA	Divisional Railway Hospital, Howrah	Divisional Railway Hospital, Howrah
				<b>198.65</b>	<b>Total</b>		



**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023**

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

**To,  
The Members,  
IRCON INTERNATIONAL LIMITED  
CIN: L45203DL1976GOI008171  
Plot No. C-4, District Centre, Saket, 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 International Limited (hereinafter called "**the Company**"), having its Registered Office at Plot No. C-4, District Centre, Saket, New Delhi-110017. 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 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on, March 31, 2023, 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 March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the 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'): -
  - (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period);** and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period);**
- (vi) The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:
  - a) Building and other construction workers (Regulation of Employment and conditions of service) Central Rules, 1998
  - b) Electricity Act, 2003

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor(s) and other designated professionals.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);
- ii. Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010;
- iii. Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F No. 5/2/2016-Policy dated 27th May, 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India;

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

**Half of the board of directors of the Company was not independent as required under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.**

**We further report that:**

1. During the period under review, half of the board of directors of the company was not independent as required under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. The Company has received notices from BSE and NSE imposing penalty for non-compliance with the requirements pertaining to the Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 for the quarters ended June, September, December 2022 and March, 2023.
3. IRCON has submitted to the stock exchanges that the non-compliance of Regulations 17 of SEBI (LODR) Regulations, 2015 were due to non-appointment of Independent Directors by the Government of India and therefore, they should not be held liable to pay the fine. The listed entity has made request from time to time to its administrative ministry (i.e., Ministry of Railways) for appointment of requisite number of Independent Directors on the Board of IRCON in order to comply with the requirements.

Adequate notice(s) were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were generally sent at least seven days, other than those held at shorter notice, in advance to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions are taken with requisite majority and the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, 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.

**We further report that** during the financial year 2022-23:

- The Company has paid an interim dividend of ₹1.80/- per equity share on face value of ₹2/- per each (90% on the paid-up equity share capital) on 28th February, 2023.
- The Board on, 24th May, 2023, has recommended a final dividend of ₹1.20/- per equity share on face value of ₹2/- each (60% of the paid-up equity share capital) for the financial year 2022-23.

**For, Kumar Naresh Sinha & Associates**  
(Company Secretaries)

Sd/-  
**CS Naresh Kumar Sinha**  
(Proprietor)  
FCS: 1807; CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807E000465633

Place: Noida  
Date: June 7, 2023

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

To,  
The Members,  
IRCON INTERNATIONAL LIMITED

Annexure A

FORM NO. AOC-2

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

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

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

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount received/ paid as advances by IRCON, if any (₹ in Crore)
1.	<b>Ircon Shivpuri Guna Tollway Limited (IrconSGTL)</b> A wholly owned subsidiary Company	Awarding of Engineering Procurement Construction (EPC) Agreement for Execution of four laning of Shivpuri-Guna section of NH-46 from Km 236.000 to Km 332.100 in the State of Madhya Pradesh-Stage-II by IrconSGTL to IRCON	<b>Date:</b> EPC agreement dated 20.01.2021. <b>Duration:</b> 12 months from the letter of award or handing over of site, whichever is later. Extended upto May 20, 2022 and further extension is in process.	<b>Consideration:</b> Actual cost plus 5% basis.	Not Applicable	Advance received -NIL  Repayment of advance ₹10.17 Crore
2.	<b>Ircon Davanagere Haveri Highway Limited (IrconDHHL)</b> A wholly owned subsidiary Company	Awarding of Engineering Procurement Construction (EPC) contract of Davanagere Haveri Highway Project from km 260+000 to km 338+923 of NH-48 (old NH-4) in the State of Karnataka to IRCON	<b>Date:</b> EPC Agreement dated 04.01.2018. <b>Duration:</b> Completion period is 30 months from Appointed date or handing over of land by IrconDHHL whichever is later. Further, extended up to 31.10.2024 vide IrconDHHL letter dated 16.06.2021.	<b>Consideration:</b> ₹916.93 Crore plus GST	Not Applicable	NIL
3.	<b>Ircon Vadodara Kim Expressway Limited (IrconVKEL)</b> A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) Contract for construction of eight lane Access Controlled Expressway from Km 323+000 to Km 355+000 km in the state of Gujarat to IRCON	<b>Date:</b> EPC Agreement dated 09.11.2018 as modified vide Addendum 1 entered on 10.08.2019 and Addendum 2 entered on 03.01.2020. <b>Duration:</b> Completion period is 730 days reckoned from Appointed Date. Further, extended up to 30.05.2022 vide IrconVKEL letter dated 27.05.2022 and further extension granted from time to time.	<b>Consideration:</b> ₹1377.73 Crore plus GST	Not Applicable	NIL

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **Kumar Naresh Sinha & Associates**  
(Company Secretaries)

Sd/-

**CS Naresh Kumar Sinha**  
(Proprietor)

FCS: 1807; CP No.: 14984; PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807E000465633

Place: Noida  
Date: June 7, 2023

REPLIES TO THE OBSERVATIONS CONTAINED IN THE SECRETARIAL AUDIT REPORT AND COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR 2022-23

Sl. No	Observations contained in the Secretarial Audit Report 2022-23	Management Reply
1.	Half of the board of directors of the Company was not independent as required under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.	As per provisions of the Section 2(45) of the Companies Act 2013, Ircon International Limited (IRCON) is a government company. As per provisions of the Companies Act 2013 and Articles of Association of IRCON, the President of India is vested with the power to appoint Directors (including Independent Directors) on the Board of the Company. Hence, all Directors in IRCON are appointed by the Government of India through its Administrative Ministry, Ministry of Railways and IRCON has no role to play in appointment of any Director (including Independent Director) unless nominated by the Government. The Company has already requested to the Ministry of Railways, Government of India for appointment of requisite number of Independent Directors on the Board.

Best Regards,

Sd/-

**(Brijesh Kumar Gupta)**

Chairman & Managing Director (L/A) & CEO (DIN:10092756)

Date: August 11, 2023  
Place: New Delhi



Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount received/ paid as advances by IRCON, if any (₹ in Crore)
4.	<b>Ircon Gurgaon Rewari Highway Limited (IrconGRHL)</b> A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) Contract by IrconGRHL of work of upgradation of Gurgaon-Pataudi-Rewari section of NH-352W (design length 46.110 km) as Feeder route in the State of Haryana to IRCON	<b>Date:</b> EPC Agreement dated 30.06.2021 and Supplementary Agreement No. 1 dated 17.08.2022 & Supplementary Agreement No. 2 dated 30.03.2023. <b>Duration:</b> Completion period is 730 days reckoned from Appointed date including any further extension granted.	<b>Consideration:</b> ₹606.054 Crore plus GST	Not Applicable	Advance received of ₹14.06 Crore  Repayment of advance- NIL
5.	<b>Ircon Akloli-Shirsad Expressway Limited (IrconASEL)</b> A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) contract for construction of Eight Lane Access Controlled Expressway in Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway from Km 3.000 to Km 20.200 in the State of Maharashtra to IRCON	<b>Date:</b> EPC Agreement dated 02.09.2022. <b>Duration:</b> Completion period is 548 days reckoned from Appointed dated including any further extension granted	<b>Consideration:</b> ₹1060.23 Crores +GST	Not Applicable	Advance received of ₹50 Crore  Repayment of advance- NIL
6.	<b>Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL)</b> A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) contract for Construction of Four / Six lane Greenfield Ludhiana – Rupnagar National Highway No. 250K from Junction with NE-5 village near Manewal; (Ludhiana) to Junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana Bypass Package-3 (Design Ch. 66+440 to Design Ch. 90+500 and spur to Kharar Design Ch. 0+000 to Design Ch. 19+200 – Total length = 43.26 km) in the State of Punjab to IRCON	<b>Date:</b> EPC Agreement dated 02.09.2022 <b>Duration:</b> Completion period is 730 days reckoned from Appointed dated including any further extension granted	<b>Consideration:</b> ₹993.86 Crores +GST	Not Applicable	NIL
7.	<b>Ircon Bhoj Morbe Expressway Limited (IrconBMEL)</b> A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) contract for Construction of Eight Lane Access Controlled Expressway in Bhoj to Morbe Section – SPUR of Vadodara Mumbai Expressway from Km 69.800 to Km 79.783 in the state of Maharashtra to IRCON	<b>Date:</b> EPC Agreement dated 02.09.2022 <b>Duration:</b> Completion period is 910 days reckoned from Appointed dated including any further extension granted	<b>Consideration:</b> ₹1321.25 Crores +GST	Not Applicable	NIL

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount received/ paid as advances by IRCON, if any (₹ in Crore)
8.	<b>Ircon Haridwar Bypass Limited (IrconHBL)</b> A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) contract for upgradation and four Lining of Haridwar Bypass Package-1 From Km.0+000 (Km 188+100 of NH-58) to Km. 15+100 (km 5+100 of NH 74) in the State of Uttarakhand to IRCON	<b>Date:</b> EPC Agreement dated 02.09.2022 <b>Duration:</b> Completion period is 730 days reckoned from Appointed dated including any further extension granted	<b>Consideration:</b> ₹784.58 Crores +GST	Not Applicable	Advance received of ₹24.78 Crore  Repayment of advance- NIL
9.	<b>Chhattisgarh East Railway Limited (CERL)</b> A Joint Venture Company	Award of work of execution of East Corridor Rail Project in Chhattisgarh by CERL to IRCON	<b>Date:</b> Project Execution Agreement dated 18.01.2014 <b>Duration:</b> Till the Railway corridor becomes operational in line with the Concession Agreement.	IRCON would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	Advance received of ₹0.03 Crore  Repayment of advance ₹22.47 Crore
10.	<b>Chhattisgarh East-West Railway Limited (CEWRL)</b> A Joint Venture Company	Award of execution of East-West Corridor Rail Project in Chhattisgarh by CEWRL to IRCON	<b>Date:</b> Project Execution Agreement dated 05.04.2014 <b>Duration:</b> Till the Railway corridor becomes operational in line with the Concession Agreement.	IRCON would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	Advance received ₹104.15 Crore  Repayment of advance ₹31.82 Crore
11.	<b>Mahanadi Coal Railway Limited (MCRL)</b> A Joint Venture Company	Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by MCRL to IRCON	<b>Date:</b> Project Execution Agreement dated 19.04.2016 <b>Duration:</b> Up to Commissioning of all identified project	IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	Advance received ₹4.63 Crore  Repayment of advance ₹2.41 Crore

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount received/ paid as advances by IRCON, if any (₹ in Crore)
12.	<b>Jharkhand Central Railway Limited (JCRL)</b> A Joint Venture Company	Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by JCRL to IRCON	<b>Date:</b> Project Execution Agreement dated 28.03.2016 <b>Duration:</b> Up to Commissioning of all identified project.	IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	Advance received ₹74 Crore  Repayment of advance ₹54.80 Crore
13.	<b>Bastar Railway Private Limited (BRPL)</b> A Joint Venture Company	Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by BRPL to IRCON	<b>Date:</b> Project Execution Agreement has been entered on 19.07.2017 <b>Duration:</b> Up to Commissioning of all identified project	IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	Nil

**Note:**

- All the above said transactions have been approved by the Audit Committee of IRCON.
- Apart from above said transactions, other transactions & arrangements entered with related parties at arm's length basis and in ordinary course of business as approved by the Audit Committee are as follows:
  - Rendering or availing of services – Machinery, Manpower and other resources; Leasing of office space; Rendering or availing of services like deputation of manpower, administrative services; and transactions of sale and purchase of goods or etc. on cost basis having value upto ₹1 crore per transaction to and from subsidiary / associate / JV companies, for which the omnibus approval of the Audit Committee was granted.
- In addition to above transactions, an amount of ₹45 Crore is lying against advances received from ISTPL towards arbitration claims.
- Loans to, investments made in and guarantees provided in connection with the loan of subsidiary and JV Companies etc. The members may refer to the financial statements which sets out the Related Party Disclosure pursuant to IND AS-24 and also the transactions during the financial year.

**For and on behalf of the Board of Directors**

Sd/-  
**(Brijesh Kumar Gupta)**  
Chairman & Managing Director (L/A) & CEO  
(DIN:10092756)

# Standalone Financial Statements 2022-23



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of IRCON INTERNATIONAL LIMITED ("the company") which comprise the Balance Sheet as at 31st March, 2023, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by branch auditors of the Company's branches at Algeria, Bangladesh and Sri Lanka Region.

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2023. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate level.

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial Statements.

#### Emphasis of Matters

We draw attention to the following notes on the Standalone Ind AS Financial Statements being matters pertaining to **Ircon International Limited** requiring emphasis by us.

- Refer note no. 47 of the Standalone Financial Statements regarding certain modifications in the existing Significant Accounting Policy relating to Property, plant and equipment. As explained by the management, there is no financial impact due to such aforesaid modifications on the Company's profitability.
- Refer foot Note no. (iii) of note no 8.1 of the Standalone Financial Statements wherein it is mentioned that the Financials Statements of one of the Jointly controlled entities, Indian Railway Stations Development Corporation Limited (IRSDC) have been prepared on liquidation basis and that the Company does not foresee any impairment in the value of investments held by the Company in IRSDC.

Our opinion is not modified in respect of the above matter.

#### 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 matters described below to be the key audit matters to be communicated in our report.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Key Audit Matter	How our audit addressed the matter
<p><b>a) Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>For details refer Note No. 39 to the Standalone Ind AS Financial Statements.</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>Evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy</p> <p>Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> <li>• Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations.</li> <li>• Checked whether the performance obligation is being satisfied over the period of time or at a point in time.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed</li> </ul>

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Key Audit Matter	How our audit addressed the matter
<p><b>Contingent Liabilities</b></p> <p>Contingent Liabilities There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases. (Refer Note No. 37 of the Standalone Financial Statements, read with the Accounting Policy No. 2.2.16).</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status and material developments of legal matters.</li> <li>• Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>
<p><b>System Environment and internal Controls</b></p> <p>The Company is having SAP system in place and only FI-CO &amp; Payroll module is implemented and other system like inventory, MM Module etc. is under the process of implementation Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p> <p>The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>Our audit planning &amp; procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process.</li> <li>• Testing the design of the key IT controls relating to financial reporting systems of the company.</li> <li>• We also tested the company's controls around system interfaces.</li> <li>• We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.</li> </ul>

#### Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Ind As financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether

the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 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 Companies Act, 2013 ("the Act") with respect to the preparation

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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.

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.

### Other Matters

- We did not audit the financial statements / financial information of three (3) foreign branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect total assets of ₹515.86 Crores (Previous year ₹577.99 Crores) as at 31st March 2023, total revenue of ₹393.77 Crores (Previous Year ₹444.69 crores) and total PBT of ₹74.49 crores (previous year ₹41.79 crores), for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.
- The financial statements include profit/(loss) of ₹0.08 Crores (Previous Year ₹0.09 Crores), the company's share in two (2) integrated joint operations (unincorporated) accounts which have been audited by other firms of chartered Accountants and profit/(loss) of ₹0.47 Crores (Previous Year ₹0.42 Crores) the company's share in two (2) joint operations accounts

certified by the management for the year ended March 2023.

Our opinion is not modified in respect of these matters

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
  - 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.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our Audit has been received from branches not visited by us.
  - The reports on the accounts of branch offices of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with The Companies (Indian Accounting standards) Rules, 2015.
  - Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5 June 2015, issued by the Central Government of India.
  - With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
  - Being a government company, provision of section 197 of the Act are not applicable vide

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - The company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 37 to the standalone Ind AS financial statements.
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts -Refer Note No.19.2 to the standalone Ind AS financial statements. The Company did not have any derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 46 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 46 to the accounts, no funds have been received by the Company from any person or entity, including

foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- As stated in Note No 2.2.15 to the standalone Ind AS financial statements
  - The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
  - The interim dividend declared and paid by the company during the year and until the date of this report is in accordance with section 123 of the Act.
  - The Board of Directors of the company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and its branches with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of Indian, we report that:

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No	Directions	Auditor's Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	The Company is using SAP S/4 Hana system for all its projects located in India and also in its foreign branches. As per information and explanation provided to us no accounting transactions have been processed outside the IT system except income billing for which no financial implication were observed.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	No, the Company does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the company.  However, the Company has given a loan to one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the company has booked interest on the basis of fair valuation as per Ind AS amounting to ₹18.73 crores.
3.	As reported by Sect. 143(5) whether funds (grants/ subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable for any specific scheme from central/state agencies during the financial year 2022-23.

**For HDSG & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 002871N

Sd/-  
**Harbir Singh Gulati**  
(Partner)

Membership No: 084072  
UDIN: 23084072BGSJWD9026

Place: New Delhi  
Date: May 24, 2023

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

**"Annexure A" to the Independent Auditors' Report**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ircon International Limited of even date)**

To the best of our information and according to the explanation provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we stated that:

- (i). In respect of the company's Property, Plant and Equipment and Intangible Assets:
  - a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
(B) The company has maintained proper records showing full particulars of intangible assets.
  - b) The Property, Plant and Equipment and were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.
  - c) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that, the title/lease deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statement included under Property, plant and equipment are held in the name of the Company as at the balance sheet date. However, in some cases where the company is the lessee and the lease agreements are not executed in favor of the company, as disclosed in additional disclosure of "Note no 07" Right-of-use Assets.
  - d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
  - e) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The inventory (excluding stocks lying with third parties) has been physically verified by the management at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed

by them. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on comparison of physical verification with book records.

- b) The Company has not been sanctioned any working capital limits at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii). According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investment in provided securities to companies, firms, limited liability partnerships or any other parties during the year, except investment in Subsidiaries & Joint Venture of the company.  
The Company have provided guarantee, granted loans and advances in nature of loans during the year to companies and other parties details of which are stated below. The company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms, limited liability partnerships.
- a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the company has granted loans, advances in the nature of loans and guarantees to subsidiaries and joint ventures as below:

(₹ in crore)

	Guarantees	Loans	Advances in nature of loan
Aggregate amount granted / provided during the year			
-Subsidiaries*	3031.19	42.85	257.46
-Joint Ventures*	327.60	-	116.11
Balance Outstanding as at the balance sheet date			
-Subsidiaries*	2807.17	315.33	525.99
-Joint Ventures*	1361.36	-	181.71

\*As per the companies Act



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

(B) Based on the audit procedure carried out by us and as per the information and explanations given to us, the Company has granted advances in the nature of loans to other parties as below:

(₹ in crore)

	Advance in the nature of loans- Employee advances
Aggregate amount granted / provided during the year - Other Parties	0.36
Balance Outstanding as at the balance sheet date - Other Parties	1.32

- b) In our opinion the investment made and guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and receipt of interest are generally regular as per stipulation except in case of one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL) where company has waived off the interest for the period of October, 01 2019 till March, 31 2024.
- d) In respect of loan granted by the company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan or advances in the nature of loans granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of

existing loans given to same parties.

- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the companies Act, in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits within the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, and rules made there under,
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, in respect Road & Infrastructure projects of the Company. We have broadly reviewed the records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable with the appropriate authorities. Employees State Insurance is not applicable to the Company. According to the information and explanation given to us, there are no undisputed statutory dues which were outstanding as on 31.03.2023 for a period of more than six months from the date the same become payable except balances outstanding.
- b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2023 on account of dispute are given below:

S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
1	Sales Tax	Sales Tax-AGRP	0.50	2007-08 to 2012-13	The Additional Commissioner, Commercial Taxes, Ghaziabad
2	Sales Tax	Entry Tax- AGRP	0.02	2008-09 to 2013-14	The Additional Commissioner, Commercial Taxes, Ghaziabad
3	Sales Tax	UP TRADE TAX up-01	3.89	2004-05 to 2007-08	The Assessing Authority
4	Sales Tax	UPTT-UP-01 (Entry Tax)	0.16	2007-08	The Assessing Authority
5	Sales Tax	UPVAT ACT-UP-01	3.41	2007-08 & 2008-09	The Appellate Authority

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
6	Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.15	2007-08 to 2009-10	The Appellate Authority
7	Sales Tax	UPVAT ACT-UP-01	0.01	2010-11	The Deputy Commissioner
8	Sales Tax	Sales Tax-BE-08	0.26	2007-08 to 2009-10	The Additional Commissioner Appeal, Noida
9	Sales Tax	Sales Tax-BE-08 Entry Tax	0.00	2014-15	The Additional Commissioner Appeal, Noida
10	Sales Tax	UPTT-UP-05	1.31	2006-07 to 2007-08	Tribunal Jhansi Bench
11	Sales Tax	UPTT-UP-05	0.01	2005-06	High Court Allahabad
12	Sales Tax	UPVAT-UP-05	3.27	2007-08 to 2009-10	Tribunal Jhansi Bench
13	Sales Tax	Sales Tax 2010-11-GED	0.05	2010-11	Asst Commercial Tax Officer, Marga
14	Uttar Pradesh VAT Act,2008	Demand raised for sales tax	0.08	1982-83 and 1989-90	Appellate Authority, Jhansi
15	Sales Tax	Sales Tax GED GOA	0.50	2011-12 to 2014-15	Asst Commercial Tax Officer, Marga
16	Sales Tax	Demand Raised	1.19	2006-07	VAT Tribunal Chandigarh
17	Service Tax	Service Tax Demand	0.55	2015-16 to 2017-18	CESTAT Allahabad
18	Service Tax	Service Tax Demand	0.56	2015-16	Deputy/Assistant Commissioner Jaipur
19	Uttar Pradesh sales Tax Act 1948	UP sales tax - section 3 kha	1.24	2005-06 & 2006-07	Appeal pending in Tribunal
20	Uttar Pradesh VAT Act,2008	UP VAT (Regular) section 28(2)	0.12	2015-16 to 2017-18	The assessment order has been received. Appeal would be filed.
21	Uttar Pradesh VAT Act,2008	UP VAT (Regular) section 28(2)	0.03	2016-17	The assessment order has been received. Appeal would be filed.
22	Maharashtra GST Act,2017	GST Act,2017 Demand u/s 73	0.44	2018-19	The Demand order has been received. Appeal would be filed
23	Uttar Pradesh sales Tax Act 1948	UP Entry Tax - GB Nagar	0.05	2002-03 & 2003-04	Allahabad High Court
24	Jammu & Kashmir GST Act, 1962	Sales Tax	18.71	1999-00 to 2005-06	J&K High Court, Jammu and Deputy Commissioner Commercial Sales Taxes (appeals), Srinagar
25	Sales Tax -MRO	Sales Tax - MRO	3.51	1995-96 & 1996-97	Bombay High Court
26	Sales Tax-MRO	Sales Tax - MRO	3.97	2010-11 & 2011-12	Sales Tax Office, Mumbai
27	West Bengal State Sales Tax Act 1994	Sales Tax	0.26	1998-99	Sr. Jt Commissioner (Appeals), Sales Tax, West Bengal
28	West Bengal VAT Act 2003	VAT	1.80	2004-05,2016-17 & 2017-18	Asst. Comm. Of Sales Tax College St. Charge, Kolkata
29	Service Tax	Service Tax (Behala)	0.87	2015-16 to 2016-17	Joint/Additional Commissioner Kolkata

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
30	Service Tax	Service Tax on Agency Fees	12.91	2010-11 to 2014-15	CESTAT
31	Service Tax	Service Tax on Agency Fees	5.60	2009-10 to 2013-14	CESTAT
32	Service Tax	Service Tax on Agency Fees	2.06	2016-17 to 2017-18	CESTAT
33	Bihar VAT Act	VAT TDS	5.98	2005-06 and 2006-07	Bihar VAT Department, We Circle Patna
34	Bihar VAT Act	VAT	0.003	2010-11	Bihar VAT Department, West Circle Patna
35	Bihar VAT Act	VAT	29.20	2012-13	Bihar VAT Department, West Circle Patna
36	Service Tax	Service Tax Jagdalpur	2.84	2016-17 to 2017-18	Appeal Filed before Commissioner of Central and Customs Appeal, Chhattisgarh
37	Bihar VAT Act	Bihar VAT	33.46	2013-14	Writ Petition Filed before High Court
38	Bihar VAT Act	Bihar VAT	25.54	2014-15	Writ Petition Filed before High Court
39	Service Tax	Service Tax	2.16	2015-16	CESTAT, Kolkata
40	Bihar VAT Act 2005	Regular assessment under section 31	0.92	2015-16	The assessment order has been received. Appeal would be preferred
41	Central Excise Act, 1944	Levy of Excise Duty on Bracket/Cantilever Assemblies	0.66	1998-99	CESTAT (Dept. Appeal)
42	FDTR Act, 1992	Levy of Penalty DGFT	2.89	1990-91 & 1992-93	Appeal in Delhi high court
43	UP VAT Act	Demand for Sales Tax	1.19	2010-11	Addl. Commissioner Grade-2 (Appeal) has remanded the matter on 01.03.19 for re assessment of the above case to DC/Sale Tax/RBL
44	UP VAT Act	Demand for Sales Tax	0.14	2011-12	Addl. Commissioner Grade-2 (Appeal) has remanded the matter on 28.03.20 for re assessment of the above case to DC/Sale Tax/RBL
45	UP VAT Act	Demand for Sales Tax	38.41	2012-13 to 2016-17	Addl. Commissioner Grade-2 (Appeal), Lucknow
46	UP VAT Act 2008	UP VAT (Regular) section 28(2)	6.81	2017-18	Addl. Commissioner Grade-2 (Appeal), Lucknow
47	Bihar VAT Act 2005	Regular assessment under section 31	19.63	2016-17	The assessment order has been received. Appeal would be preferred
48	Bihar GST Act, 2017	Demand order u/s 73(9)	3.83	2017-18	The assessment order has been received. Appeal would be preferred
49	Income Tax	Assessment Demand	0.88	AY 2018-19 & 2019-20	ITAT

\*As compiled by the management and relied upon by us.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.  
c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.  
d) On an overall examination of the financial statement of the Company, we reported that the company has not raised any short-term funds during the year and hence reporting under clause 3(ix)(d) of the order is not applicable.  
e) On an overall examination of the financial statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.  
f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.  
(x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) (a), (b) & (c) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, where applicable and the details have been disclosed in notes to the financial statements, etc as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
b) We have considered, the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, are not applicable.
- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, clauses 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.  
b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause 3(xvi)(c) of the Order is not applicable.  
c) According to the information and explanations provided to us there is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Hence, clause 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe
- (xi) a) No fraud by the company or any fraud on the company has been noticed or reported during the year.  
b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx) (a) of the Order is not applicable.

b) There are no unspent amount in respect of ongoing projects, which required to transferred in to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the said Act. Hence, reporting under clause 3(xx)(b) of the order is not applicable.

#### For HDSG & ASSOCIATES

Chartered Accountants  
Firm Registration No: 002871N

Sd/-

**Harbir Singh Gulati**

(Partner)

Membership No: 084072

UDIN: 23084072BGSJWD9026

Place: New Delhi

Date: May 24, 2023

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

#### "Annexure B" to the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements of Ircon International Limited for the year ended 31st March, 2023

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

We have audited the internal financial controls over financial reporting of Ircon International Limited "the Company" as of 31<sup>st</sup> March, 2023 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, "based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". However, internal control needs further strengthening in respect of the following areas identified as on 31st March, 2023 based on our audit.

- a. The Company has an integrated ERP system which was not used at its full potential. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.

- b. The Inventory records at some units are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

#### Other Matters

Our aforesaid report under section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to branches, is based on the corresponding report of other auditors.

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the standalone financial statement of the company for the year ended 31st March, 2023 and these areas do not affect our opinion on the Standalone financial statement of the company.

**For HDSG & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 002871N

Sd/-  
**Harbir Singh Gulati**  
(Partner)  
Membership No: 084072  
UDIN: 23084072BGSJWD9026

Place: New Delhi  
Date: May 24, 2023

## STANDALONE BALANCE SHEET

### For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	178.65	188.29
(b) Capital Work-in-Progress	4	-	-
(c) Investment Property	5	552.31	555.18
(d) Intangible Assets	6	8.69	0.44
(e) Intangible Assets under Development	6	2.59	9.79
(f) Right-of-use Assets	7	4.40	4.43
(g) Financial Assets	8		
(i) Investments	8.1	2,037.60	1,714.19
(ii) Loans	8.2	315.84	283.47
(iii) Other Financial Assets	8.3	22.82	17.90
(h) Deferred Tax Assets (Net)	9	114.60	84.15
(i) Other Non-Current Assets	10	91.34	30.00
<b>Total Non-Current Assets</b>		<b>3,328.84</b>	<b>2,887.84</b>
<b>2 Current Assets</b>			
(a) Inventories	11	206.44	272.26
(b) Financial Assets	12		
(i) Investments	12.1	99.99	50.00
(ii) Trade Receivables	12.2	868.73	709.16
(iii) Cash and Cash Equivalents	12.3	2,168.41	1,206.20
(iv) Other Bank Balances	12.4	2,616.91	4,133.77
(v) Loans	12.5	30.14	31.65
(vi) Other Financial Assets	12.6	1,603.70	1,223.55
(c) Current Tax Assets (Net)	13	154.86	56.26
(d) Other Current Assets	14	2,598.38	2,156.52
		<b>10,347.56</b>	<b>9,839.37</b>
<b>Assets held for Sale</b>	15	0.01	0.27
<b>Total Current Assets</b>		<b>10,347.57</b>	<b>9,839.64</b>
<b>Total Assets</b>		<b>13,676.41</b>	<b>12,727.48</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	16	188.10	188.10
(b) Other Equity	17	4,990.38	4,432.86
<b>Total Equity</b>		<b>5,178.48</b>	<b>4,620.96</b>



## STANDALONE BALANCE SHEET

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>2 Liabilities</b>			
<b>(i) Non-Current Liabilities</b>			
(a) Financial Liabilities	18		
(i) Borrowings	18.1	-	-
(ii) Lease Liabilities	18.2	0.42	0.15
(ii) Trade Payables	18.3		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		-	-
(iii) Other Financial Liabilities	18.4	653.00	505.68
(b) Provisions	19	119.69	79.70
(c) Other Non-Current Liabilities	20	759.24	502.79
<b>Total Non-Current Liabilities</b>		<b>1,532.35</b>	<b>1,088.32</b>
<b>(ii) Current Liabilities</b>			
(a) Financial Liabilities	21		
(i) Borrowings	21.1	-	-
(ii) Lease Liabilities	21.2	0.09	0.01
(iii) Trade Payables	21.3		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		9.24	3.21
- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		802.17	1,007.12
(iv) Other Financial Liabilities	21.4	2,690.76	2,587.27
(b) Other current liabilities	22	3,233.78	3,196.02
(c) Provisions	19	201.05	211.04
(d) Current Tax liability (Net)	23	28.49	13.53
<b>Total Current Liabilities</b>		<b>6,965.58</b>	<b>7,018.20</b>
<b>Total Equity and Liabilities</b>		<b>13,676.41</b>	<b>12,727.48</b>
III. Summary of Significant Accounting Policies	2		
IV. Notes forming part of Financial Statements	1 - 49		

As per our Report of even date attached

For and on behalf of Board of Directors

**For HDSG & Associates**

Chartered Accountants  
FRN : 002871N

Sd/-

**Harbir Singh Gulati**

Partner  
M. No. 084072

Place : New Delhi  
Date : 24th May, 2023

Sd/-

**Ragini Advani**

Director (Finance)  
DIN-09575213

Sd/-

**B. Mugunthan**

Chief Financial Officer

Sd/-

**Brijesh Kumar Gupta**

Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-

**Ritu Arora**

Company Secretary  
FCS No. 5270

## STANDALONE STATEMENT OF PROFIT AND LOSS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>I. Revenue :</b>			
Revenue from operations	24	9,921.20	6,910.15
II. Other income	25	340.43	270.85
<b>III. Total Income (I + II)</b>		<b>10,261.63</b>	<b>7,181.00</b>
<b>IV. Expenses:</b>			
Materials and Stores Consumed	26 (i)	392.08	512.13
(Increase) / Decrease in WIP	26 (ii)	45.60	(165.26)
Project Expenses	26 (iii)	8,591.93	5,892.51
Employee Benefits Expenses	27	264.70	248.59
Finance Costs	28	2.80	3.37
Depreciation, Amortisation and Impairment	29	37.73	27.49
Other Expenses	26 (iii)	43.60	52.11
<b>Total Expenses (IV)</b>		<b>9,378.44</b>	<b>6,570.94</b>
<b>V. Profit Before exceptional items and Tax (III - IV)</b>		<b>883.19</b>	<b>610.06</b>
VI. Exceptional items		-	-
VII. Profit before tax (V + VI)		883.19	610.06
VIII. Tax expenses:			
(1) Current tax	9		
- For the Period		215.33	159.87
- For earlier years (net)		(78.53)	(92.53)
(2) Deferred tax (net)		(30.44)	(1.60)
<b>Total Tax Expense</b>		<b>106.36</b>	<b>65.74</b>
<b>IX Profit for the year from continuing operation (VII - VIII)</b>		<b>776.83</b>	<b>544.32</b>
<b>X Other Comprehensive Income</b>	30		
A. (i) Items that will not be reclassified to profit or loss		1.95	(0.80)
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		(0.49)	0.20
B. (i) Items that will be reclassified to profit or loss		12.90	6.21
(ii) Income Tax relating to Items that will be reclassified to profit or loss		(3.25)	(1.56)
		<b>11.11</b>	<b>4.05</b>
<b>XI Total Comprehensive Income for the year (IX + X) (Comprising profit/(loss) and other comprehensive income for the year, net of tax)</b>		<b>787.94</b>	<b>548.37</b>
XII Earnings Per Equity Share: (For Continuing Operation)			
(1) Basic	35	8.26	5.79
(2) Diluted		8.26	5.79
Face Value Per Equity Share		2.00	2.00
XIII Summary of Significant Accounting policies	2		
XIV Notes forming part of financial statements	1 - 49		

As per our Report of even date attached

For and on behalf of Board of Directors

**For HDSG & Associates**

Chartered Accountants  
FRN : 002871N

Sd/-

**Harbir Singh Gulati**

Partner  
M. No. 084072

Place : New Delhi  
Date : 24th May, 2023

Sd/-

**Ragini Advani**

Director (Finance)  
DIN-09575213

Sd/-

**B. Mugunthan**

Chief Financial Officer

Sd/-

**Brijesh Kumar Gupta**

Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-

**Ritu Arora**

Company Secretary  
FCS No. 5270

## STANDALONE STATEMENT OF CASH FLOWS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars		For the Period ended 31 <sup>st</sup> March, 2023	For the Period ended 31 <sup>st</sup> March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation		883.19	610.06
<b>Adjustment for :</b>			
Interest on unwinding of financial instruments (Net)		(18.64)	(15.45)
Amortisation of financial instruments (Net)		(0.14)	(0.82)
Depreciation, amortization and impairment		37.73	27.49
Profit on sale of assets (net)		(2.45)	(1.00)
Profit on Sale of Mutual Funds		(0.32)	(1.15)
Finance Cost		2.35	2.91
Interest Income		(191.45)	(154.79)
Dividend Received from Joint Venture Company		(69.00)	(41.00)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(3.72)	14.09
<b>Operating Profit before Current /Non-Current Assets and Liabilities</b>	<b>(1)</b>	<b>637.55</b>	<b>440.34</b>
<b>Adjustment for :</b>			
Decrease / (Increase) in Trade Receivables		(159.57)	(204.53)
Decrease / (Increase) in Inventories		65.82	(154.66)
Decrease / (Increase) in Loans, Other Financial Assets & Other Assets		(816.18)	(466.39)
(Decrease) / Increase in Trade Payables		(198.91)	272.44
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		402.79	1,470.96
	<b>(2)</b>	<b>(706.05)</b>	<b>917.82</b>
<b>Cash Generated From Operations</b>	<b>(1+2)</b>	<b>(68.50)</b>	<b>1,358.16</b>
Income Tax Paid		(51.40)	(6.99)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>(119.90)</b>	<b>1,351.17</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment including CWIP		(12.76)	(4.51)
Acquisition of Intangible Assets and Intangible Assets under Development		(1.90)	(0.42)
Purchase / Proceeds of Investment Property		(9.54)	(0.07)
Sale of Property, Plant and Equipments & Intangible Assets		2.44	1.34
Sale of Mutual Funds		81.56	1,246.59
Purchase of Mutual Fund		(81.24)	(1,245.44)
Loan to Subsidiaries		(61.75)	3.56
Repayment of Loan from Subsidiaries and JVs		31.00	1,160.50
Interest Received		170.64	145.12
Dividend Received from Joint Venture Company		69.00	41.00
Investment in Subsidiaries & Joint Ventures		(423.42)	(278.63)
Redemption of Bonds		50.00	16.31
Bank Balance Other than Cash and Cash Equivalents		1,495.68	(1,201.69)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>1309.71</b>	<b>(116.34)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of Lease Liabilities		(0.01)	(0.01)
Finance Cost Paid		(0.89)	(2.91)
Final Dividend paid		(61.13)	(159.89)
Interim Dividend paid		(169.29)	(174.00)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(231.32)</b>	<b>(336.81)</b>
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	<b>(D)</b>	3.72	(14.09)

## STANDALONE STATEMENT OF CASH FLOWS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars		For the Period ended 31 <sup>st</sup> March, 2023	For the Period ended 31 <sup>st</sup> March, 2022
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A+B+C+D)</b>	<b>962.21</b>	<b>883.93</b>
<b>CASH AND CASH EQUIVALENTS (OPENING) (Refer Note 2, 3, 4)</b>	<b>(E)</b>	<b>1,206.20</b>	<b>322.27</b>
<b>CASH AND CASH EQUIVALENTS (CLOSING) (Refer Note 2, 3, 4)</b>	<b>(F)</b>	<b>2,168.41</b>	<b>1,206.20</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(F - E)</b>	<b>962.21</b>	<b>883.93</b>

Note :

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

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Cash in hand	0.09	0.06
Remittance in Transit	13.61	-
Balances with banks:		
- On current accounts	380.90	863.83
- Flexi Accounts	173.35	241.42
- Deposits with original maturity of less than 3 months	1,600.46	100.89
<b>Total Cash and Cash Equivalents as per Balance Sheet and Standalone Statement of Cash Flows</b>	<b>2,168.41</b>	<b>1,206.20</b>

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

(₹ in crore)

Particulars	Lease Liabilities
<b>As at 1 April 2021</b>	<b>0.16</b>
(a) Cash Flows during the year	(0.01)
(b) Non Cash Changes due to : Interest cost on Lease Liabilities	0.01
<b>As at 31 March 2022</b>	<b>0.16</b>
(a) Cash Flows during the year	(0.01)
(b) Non Cash Changes due to : Addition to lease liability Interest cost on Lease Liabilities	0.34 0.02
<b>As at 31 March 2023</b>	<b>0.51</b>

- Previous year's figures have been regrouped/reclassified and restated wherever applicable.
- Earmarked and restricted balances are mentioned in Note 12.3 and 12.4.
- Figures in brackets represent outflow of cash.

As per our Report of even date attached

For HDSG & Associates  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Place : New Delhi  
Date : 24<sup>th</sup> May, 2023

For and on behalf of Board of Directors

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270



## STANDALONE STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31<sup>st</sup> March 2023

### A. Equity Share Capital

For the year ended 31<sup>st</sup> March, 2023

(₹ in crore)

Particulars	Amount
Balance as at 01 April, 2021	94.05
Changes in equity share capital during the year	94.05
Balance as at 31 March, 2022	188.10
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	188.10

### B. Other Equity

For the year ended 31<sup>st</sup> March, 2022

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2021	3,333.71	978.87	4.93	(5.08)	4,312.43
Profit for the year	-	544.32	-	-	544.32
<b>Other Comprehensive Income</b>					
Remeasurment of Defined Benefit Plans	-	(0.60)	-	-	(0.60)
Foreign Exchange translation difference	-	-	-	4.65	4.65
<b>Total Comprehensive Income for the period</b>	-	<b>543.72</b>	-	<b>4.65</b>	<b>548.37</b>
Dividend Paid	-	(333.89)	-	-	(333.89)
Bonus Issue	-	(94.05)	-	-	(94.05)
Balance as at March 31, 2022	3,333.71	1,094.65	4.93	(0.43)	4,432.86

For the year ended 31<sup>st</sup> March, 2023

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2022	3,333.71	1,094.65	4.93	(0.43)	4,432.86
Profit for the year	-	776.83	-	-	776.83
<b>Other Comprehensive Income</b>					
Remeasurment of Defined Benefit Plans	-	1.46	-	-	1.46
Foreign Exchange translation difference	-	-	-	9.65	9.65
<b>Total Comprehensive Income for the period</b>	-	<b>778.29</b>	-	<b>9.65</b>	<b>787.94</b>
Dividend Paid	-	(230.42)	-	-	(230.42)
Balance as at March 31, 2023	3,333.71	1,642.52	4.93	9.22	4,990.38

As per our Report of even date attached

For HDSG & Associates

Chartered Accountants

FRN : 002871N

Sd/-

Harbir Singh Gulati

Partner

M. No. 084072

Place : New Delhi

Date : 24th May, 2023

For and on behalf of Board of Directors

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

B. Mugunthan

Chief Financial Officer

Sd/-

Brijesh Kumar Gupta

Chairman & Managing Director

and CEO

DIN-10092756

Sd/-

Ritu Arora

Company Secretary

FCS No. 5270

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 1. Corporate Information

Ircon International Limited is a public sector construction company, with emphasis on infrastructure projects, domiciled in India (CIN: L45203DL1976GOI008171) and is incorporated under the provisions of the Companies Act applicable in India with specialization in execution of Railway projects on turnkey basis and otherwise. After commencing business as a railway construction company, it diversified progressively to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro rail works. The Company caters to both domestic and international markets. The Company is an ISO certified Company for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector company and a Mini Ratna-Category I. The registered office of the company is located at C-4, District Centre, Saket, New Delhi- 110017 and the shares of the Company are listed on National stock exchange and BSE.

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

The standalone financial statements are approved for issue by the company's Board of Directors in their meeting held on 24th May, 2023.

### 2. Significant Accounting Policies

#### 2.1 Basis of preparation

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.

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

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

- Certain financial assets and liabilities measured at fair value
- Defined benefit plans and other long-term employee benefits

#### 2.2 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

##### 2.2.1 Current vs non-current classification

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

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, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

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

The Company classifies all other liabilities as non-current.

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

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.

##### 2.2.2 Property, plant and equipment

*Recognition and Initial Measurement*

Property, plant and equipment is recognized when it is probable that future economic benefits

## NOTES TO STANDALONE FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

associated with the item will flow to the Company and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

Cost of asset includes

- Purchase price, net of any trade discount and rebates
- Borrowing cost if capitalization criteria is met
- Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use
- 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 there to.
- 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.

### **Subsequent measurement**

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment 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.

### **Depreciation and useful lives**

Depreciation on property, plant and equipment, excluding freehold land and leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies Act, 2013. However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts.

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

Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset. Leasehold land acquired on perpetual lease is not amortized.

Property plant and equipment acquired during the period, individually costing up to ₹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

### **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.

### **2.2.3 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.

### **2.2.4 Investment properties**

#### **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

## NOTES TO STANDALONE FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

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.

### **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.

### **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.

### **2.2.5 Intangible assets**

#### **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"

### **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 ₹1 Lakhs in each case is fully amortized in the period of purchase, by keeping ₹1 as token value for identification.

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

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

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted prospectively, if appropriate.

### **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 recognized in the statement of profit or loss when the asset is de-recognized.

### **2.2.6 Impairment of non-financial assets**

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

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.



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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.

#### 2.2.7 Investment in equity instruments of subsidiaries and joint ventures

Investment in equity instruments of subsidiaries and joint ventures are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is recognized to the statement of profit and loss.

#### Interests in joint operations

The Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/ incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

#### 2.2.8 Inventories

- a) 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.
- b) Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably.

- c) 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.
- d) 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.
- e) Loose tools are expensed in the period of purchase.

#### 2.2.9 Revenue recognition

The Company operates in construction industry and it earns revenue primarily from the Engineering, Procurement and Construction business. The contracts with the customers are of construction of railways, construction of roads & highways, construction of commercial and residential buildings, electrification work and others. The type of work in these contracts involve geotechnical investigations, topographical surveys, resource-planning, preparation of DPR, construction, engineering, designing, supply of materials, redevelopment of system, installation, project management, operations and management etc. ("together called as construction related services"). The company provides these construction services on a fixed-sum turnkey basis as well as on cost plus basis.

Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### a) Revenue from contract with customer

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. The nature of Company's contract gives rise to several types of variable consideration including escalation and liquidated damages. 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. The Company recognizes revenue for variable consideration when it is probable that a

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

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 most likely amount method. 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.

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

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.

The Company has established certain criteria with respect to the method for recognizing the revenue that is applied consistently for similar performance obligations. The Company measures progress of work using input method where outcome can be estimated reliably, and performance obligation is satisfied over the time. Under input method, contract revenue is recognized as revenue by reference to the stage of completion as at the reporting date. The stage of completion is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

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

#### b) 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).
- 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.

#### c) Other operating income

- Rental income arising from the renting of machinery given under operating lease is accounted for on straight-line basis over the lease terms.
- Other operating income represents income earned from the activities incidental to business and is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract.

#### d) 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 2.2.10 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 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.

#### 2.2.11 Taxes

##### a) 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 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.

##### b) 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 period 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.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

#### 2.2.12 Foreign currencies

##### • 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.

##### • 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### • Foreign Operations

Foreign Operations related to branches that have the functional currency different from the presentation currency are translated into presentation currency. For the purpose of standalone financial statements, the assets and liabilities (both monetary and non-monetary) of the Company's foreign branches are translated into Indian rupees using exchange rates prevailing at the end of reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuate significantly during the period, in which case the exchange rates at the dates of transaction are used. Exchange difference arising, if any, are recognized in other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of foreign operations (on closure of the books of the project), all the exchange differences accumulated in equity in respect of that operation are reclassified to statement of profit and loss

#### 2.2.13 Employee benefit

##### a) 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 the period in which the employee renders the related services.

##### b) Post-employment benefits

**Defined Contribution Plan:** A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss during the period in which the employee renders the related services.

The Company has a defined contribution employee pension scheme which is administered through a separate trust (Ircon Defined Contribution Superannuation Pension Scheme 2009, Trust). The Contributions towards the trust are recognized in the statement of profit and loss of the period when

the contributions to the trust are due.

**Defined Benefit Plan:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Company. The company's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by a separate trust (Ircon Employees Group Gratuity Trust). The contributions to the gratuity trust for the period are recognized as expense and are charged to statement of profit and loss. The Company pays fixed contribution to the recognized provident fund at predetermined rates to a separate trust (Ircon Contributory Provident Fund Trust), which invests the funds in permitted securities. The contributions to the fund for the period are recognized as expense and are charged to statement of profit and loss. The obligation of the company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India. The Company has Post-Retirement Medical Facility (PRMF) which is also funded by the Company and is managed by a separate trust (Ircon Medical Trust). The contributions to the medical trust for the period are recognized as expense and are charged to statement of profit and loss.

The Company's net obligation in respect of defined benefit plans is measured separately for each plan at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The calculation is performed by an independent actuary using the projected unit credit method and provided for if the circumstances indicate that the Trusts may not be able to generate adequate returns to cover the interest rates notified by the Government.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is recognised



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### For The Year Ended 31<sup>st</sup> March 2023

in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to statement of profit and loss.

Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognised in the statement of profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

#### c) Other long-term employee benefits

The Company treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the projected unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

#### 2.2.14 Cash and cash equivalents

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.

#### 2.2.15 Dividend

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

#### 2.2.16 Provisions, contingent assets and contingent liabilities

##### Provisions

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.

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.

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

##### Onerous contracts

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.

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

##### Contingent liabilities

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

##### Contingent assets

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

#### 2.2.17 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.

##### a) Company as a lessee

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

##### i) 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.

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.

##### ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less

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

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

The Company's lease liabilities are included in financial liabilities

##### iii) 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. 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

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reclassified/ regrouped to give effect to the requirements of Ind AS 116.

#### b) 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.

#### 2.2.18 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.

#### a) Financial assets

##### 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.

##### Subsequent measurement

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

#### • Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

#### • Debt instruments at FVTOCI

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

#### • Debt instruments at FVTPL

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.

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

#### • 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

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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.

#### 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:

- financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 116
- 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
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- 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,



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

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

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

#### **Derecognition of financial assets**

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.

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

#### **b) Financial liabilities**

##### **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.

##### **Subsequent measurement**

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

- **Financial liabilities at fair value through profit or loss**

The company has not designated any financial liabilities at FVTPL.

- **Financial liabilities at amortized cost**

##### **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.

#### **Derecognition of financial liabilities**

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

#### **c) 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.

#### **d) 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

recognised gains, losses (including impairment gains or losses) or interest.

#### **e) 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.

#### **2.2.19 Fair value measurement**

The Company measures financial instruments at fair value at each reporting period.

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

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

The principal or the most advantageous market must be accessible by the Company.

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

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.

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.

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:

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

value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are 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.

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.

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.

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

#### **2.2.20 Non – current asset held for sale**

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

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.

#### 2.2.21 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.

#### 2.2.22 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.

#### 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.

#### Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 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 will have material effect on its financial position of probability.

#### Impairment of financial assets

The impairment provision for financial assets is 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.

#### 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

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

#### 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.

#### Non-current asset held for sale

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

#### 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.

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).

#### Revenue recognition

The Company's revenue recognition policy, 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 judgements to be made on changes in scope of work and claims and variations.

There are several long term and complex projects where the Company has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract:

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviews 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.



### 3. Property, Plant and Equipment

(₹ in crore)

Particulars	Free-hold Land	Lease hold Land	Freehold Buildings/Flats-Residential	Freehold Buildings/Flats-Non-Res.	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
<b>Foot Notes</b>								(i)	(ii)			
<b>Gross Carrying Amount (At Cost)</b>												
<b>As at 1st April 2021</b>	42.69	36.89	6.36	63.02	169.20	1.74	6.81	4.48	4.75	2.86	2.83	341.63
Additions	-	-	-	-	1.35	1.04	0.68	0.37	1.20	0.15	-	4.79
Disposals/Adjustments	-	-	-	(0.28)	(0.35)	-	(0.35)	(0.10)	(0.11)	-	-	(0.84)
Transfer to Investment Property (iii)	-	(36.89)	-	(19.40)	-	-	-	-	-	-	-	(56.29)
Exchange Gain / (Loss) (iv)	-	-	-	0.19	0.35	0.01	(0.02)	0.03	0.01	-	0.06	0.63
<b>As at 31st March 2022</b>	42.69	-	6.36	43.81	170.62	2.79	7.12	4.78	5.85	3.01	2.89	289.92
Additions	-	-	-	-	9.52	0.18	1.19	0.71	0.78	0.06	0.32	12.76
Disposals/Adjustments	-	-	-	-	-	-	(0.35)	(0.12)	(0.09)	-	(0.01)	(0.57)
Transfer from Asset held for sale (v)	-	-	0.19	-	-	-	-	-	-	-	-	0.19
Exchange Gain / (Loss) (iv)	-	-	-	0.29	4.01	0.05	0.03	0.08	0.06	0.05	0.24	4.81
<b>At 31st March, 2023</b>	42.69	-	6.55	44.10	184.15	3.02	7.99	5.45	6.60	3.12	3.44	307.11
<b>Depreciation and impairment</b>												
<b>As at 1st April 2021</b>	-	-	3.64	18.69	51.07	0.62	4.45	2.81	1.76	2.54	1.43	87.00
Depreciation charge for the year	-	-	0.10	2.99	10.87	0.17	1.00	0.51	0.49	0.12	0.30	16.55
Disposals/Adjustments	-	-	-	(0.10)	(0.27)	-	(0.27)	(0.07)	(0.05)	-	-	(0.49)
Transfer to Investment Property (iii)	-	-	-	(1.85)	-	-	-	-	-	-	-	(1.85)
Exchange Gain / (Loss) (iv)	-	-	-	0.09	0.30	-	(0.02)	0.01	-	-	0.03	0.42
<b>As at 31st March 2022</b>	-	-	3.74	19.92	62.14	0.79	5.16	3.26	2.20	2.66	1.76	101.63
Depreciation charge for the year	-	-	0.77	1.97	18.69	0.26	0.97	0.47	0.58	0.10	0.28	24.09
Disposals/Adjustments	-	-	-	-	-	-	(0.28)	(0.11)	(0.05)	-	-	(0.44)
Transfer from Asset held for sale (v)	-	-	0.05	-	-	-	-	-	-	-	-	0.05
Exchange Gain / (Loss) (iv)	-	-	-	0.15	2.63	0.02	0.03	0.06	0.04	0.04	0.16	3.13
<b>At 31st March, 2023</b>	-	-	4.56	22.04	83.46	1.07	5.88	3.68	2.77	2.80	2.20	128.46
<b>Net book value</b>												
<b>At 31st March 2023</b>	42.69	-	1.99	22.06	100.69	1.95	2.11	1.77	3.83	0.32	1.24	178.65
<b>At 31st March 2022</b>	42.69	-	2.62	23.89	108.48	2.00	1.96	1.52	3.65	0.35	1.13	188.29

#### Foot Notes:-

- Office Equipment includes Electrical Appliances and Air Conditioners.
- Furniture & Fixtures includes Furnishings.
- Property situated at Noida Sector-1 transferred from PPE to Investment Property
- Carrying amount include Foreign Exchange Gain/(Loss) on account of PPE translation from functional currency to presentation currency.
- Freehold Building – Residential at Chennai transferred from Asset held for sale to plant, property & Equipment
- Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

Estimated useful life of assets are as follows:

Class of Assets	Useful lives as per Schedule II (in Years)	Useful life adopted based on technical evaluation (in years)
Building/flats residential/non residential *	60	8-60
Plant and Machinery *	8-15	1-15
Survey instruments	10	10
Computers	3-6	3-6
Office Equipment's	5-10	5-10
Furniture and fixtures	10	10
Caravans, Camps and temporary shed	3-5	3-5
Vehicles	8-10	8-10

\* Each significant component of the asset has been considered for determination of useful life of the assets as per the technical evaluation

## 4. Capital Work in Progress

(₹ in crore)

Particulars	Amount
<b>As at 1 April 2021</b>	<b>0.27</b>
Additions (subsequent expenditure)	-
Capitalised during the year	(0.27)
<b>As at 31 March 2022</b>	<b>-</b>
Additions (subsequent expenditure)	-
Capitalised during the year	-
<b>As at 31 March 2023</b>	<b>-</b>
<b>Net Book Value</b>	
<b>At 31 March 2023</b>	<b>-</b>
<b>At 31 March 2022</b>	<b>-</b>

The Ageing Schedule of Capital -work-in progress for the year ended as at 31st March 2023 and March 2022 is as follows.

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Particulars</b>					
<b>As at March 31, 2023</b>	-	-	-	-	-
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>As at March 31, 2022</b>	-	-	-	-	-
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

- There are no projects where activity has been suspended.
- There are no projects as at 31st March 2023 & 31st March 2022 which has exceeded its cost or completion is overdue.

## 5. Investment Property

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
<b>As at 1 April 2021</b>	<b>290.31</b>	<b>0.57</b>	<b>126.81</b>	<b>2.23</b>	<b>96.31</b>	-	<b>3.04</b>	<b>519.27</b>
Additions (subsequent expenditure)*	-	-	-	-	0.07	-	-	0.07
Transferred from Property, Plant and Equipment {Refer Note-(i)}	36.89	-	19.40	-	-	-	-	<b>56.29</b>
Capitalised during the year	-	-	-	-	(96.38)	96.38	-	-
<b>As at 31 March 2022</b>	<b>327.20</b>	<b>0.57</b>	<b>146.21</b>	<b>2.23</b>	-	<b>96.38</b>	<b>3.04</b>	<b>575.63</b>
Additions (subsequent expenditure)*	-	-	10.56	-	-	-	-	<b>10.56</b>
Derecognised during the year	-	-	-	-	-	(1.02)	-	<b>(1.02)</b>
<b>As at 31 March 2023</b>	<b>327.20</b>	<b>0.57</b>	<b>156.77</b>	<b>2.23</b>	-	<b>95.36</b>	<b>3.04</b>	<b>585.17</b>
<b>Depreciation and impairment</b>								
<b>As at 1 April 2021</b>	-	-	<b>7.95</b>	-	-	-	<b>0.31</b>	<b>8.26</b>
Depreciation during the year	-	-	7.01	-	-	3.28	0.04	10.34
Transferred from Property, Plant and Equipment {Refer Note-(i)}	-	-	1.85	-	-	-	-	1.85
<b>As at 31 March 2022</b>	-	-	<b>16.81</b>	-	-	<b>3.28</b>	<b>0.36</b>	<b>20.45</b>
Depreciation during the year	-	-	7.92	-	-	3.55	0.94	12.41
<b>As at 31 March 2023</b>	-	-	<b>24.73</b>	-	-	<b>6.83</b>	<b>1.30</b>	<b>32.86</b>
<b>Net Block</b>								
<b>At 31 March 2023</b>	<b>327.20</b>	<b>0.57</b>	<b>132.04</b>	<b>2.23</b>	-	<b>88.53</b>	<b>1.74</b>	<b>552.31</b>
<b>At 31 March 2022</b>	<b>327.20</b>	<b>0.57</b>	<b>129.40</b>	<b>2.23</b>	-	<b>93.10</b>	<b>2.68</b>	<b>555.18</b>

### Information regarding income and expenditure of Investment property

(₹ in crore)

Particulars	31 March 2023	31 March 2022
Rental income derived from investment properties	6.46	0.54
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	4.40	0.01
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year	-	-
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>2.06</b>	<b>0.53</b>
Less: Depreciation during the year	(8.86)	(0.27)
<b>Profit arising from investment properties before indirect expenses</b>	<b>(6.80)</b>	<b>0.26</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### Reconciliation of fair value

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
<b>Opening balance at 1 April 2021</b>	<b>217.32</b>	-	<b>116.79</b>	<b>118.48</b>	<b>87.37</b>	-	<b>7.87</b>	<b>547.83</b>
Additions	-	-	-	-	0.07	-	-	0.07
Transferred from Property, Plant and Equipment {Refer Note-(i)}	25.02	-	16.59	-	-	87.44	-	41.61
Capitilised During the Year	-	-	-	-	(87.37)	-	-	-
Fair value difference	5.89	-	3.32	3.34	-	2.69	1.49	16.72
<b>Closing balance At 31 March 2022</b>	<b>248.23</b>	-	<b>136.70</b>	<b>121.82</b>	-	<b>90.13</b>	<b>9.36</b>	<b>606.23</b>
Additions	-	-	-	-	-	-	-	-
Capitilised During the Year	-	-	-	-	-	-	-	-
Fair value difference for the year	14.20	-	(15.26)	3.34	-	(4.91)	0.21	(2.42)
<b>Closing balance At 31 March 2023</b>	<b>262.43</b>	-	<b>121.44</b>	<b>125.16</b>	-	<b>85.22</b>	<b>9.57</b>	<b>603.82</b>
<b>Note:-</b>								
<b>Investment Property acquired</b>								
Fair value difference for the year	14.20	-	(15.26)	3.34	-	(4.91)	0.21	(2.42)
Investment Property self constructed	262.43	-	121.44	125.16	-	85.22	9.57	603.82
	<b>262.43</b>	-	<b>121.44</b>	<b>125.16</b>	-	<b>85.22</b>	<b>9.57</b>	<b>603.82</b>

- Property situated at Noida Sector-1 transferred from PPE to Investment Property
- These valuations are based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 applying valuation model acceptable internationally. Fair Values are based on cost & income/cost/market value approach. As per assumption made by valuer, one time lease payment of ₹66.89 Crore in case of Noida land has not been considered. Further, GST amounting to ₹22.14 Crore has not been considered for Noida and Gurugram in the valuation report.
- The fair value measurement is categorised in Level 3 of fair value hierarchy.
- Investment property in Noida is at three locations having lease term of 90 years, Properties in Gurugram and Bangalore are at one location only which are freehold.

* Detail of Additions (subsequent expenditure)	As at 31st March 2023	As at 31st March 2022
	Capital work in progress Noida Sector 48	Capital work in progress Gurugram
- Work Expenses	10.56	(0.20)
- Consultancy Charges	-	0.22
- Salary & Wages	-	0.02
- Power, Electricity and Water charges	-	0.03
<b>Total</b>	<b>10.56</b>	<b>0.07</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 6. Intangible Assets

(₹ in crore)

Particulars	Intangible Assets under Development (Software)	"Other Intangibles (Software)"
<b>Gross Block</b>		
<b>As at 1 April 2021</b>	<b>9.79</b>	<b>2.13</b>
Addition during the year	-	0.42
Disposals / adjustment during the year	-	-
<b>As at 31 March 2022</b>	<b>9.79</b>	<b>2.55</b>
Addition during the year	1.89	9.10
Capitalisation during the year	(9.09)	-
Disposals / adjustment during the year	-	-
<b>As at 31 March 2023</b>	<b>2.59</b>	<b>11.65</b>
<b>Amortisation and Impairment</b>		
<b>As at 1 April 2021</b>	<b>-</b>	<b>1.88</b>
Amortisation during the year	-	0.23
Sales / adjustment during the year	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>2.11</b>
Amortisation during the year	-	0.85
Sales / adjustment during the year	-	-
<b>As at 31 March 2023</b>	<b>-</b>	<b>2.96</b>
<b>Net book value</b>		
<b>At 31 March 2023</b>	<b>2.59</b>	<b>8.69</b>
<b>At 31 March 2022</b>	<b>9.79</b>	<b>0.44</b>

#### Foot Note:

(i) Intangible assets under development represents capital expenditure made for acquiring SAP S4 / HANA ERP software.

The Ageing Schedule of Intangible Assets under Development for the year ended as at 31st March 2023 and 31st March 2022 is as follows.

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>As at March 31, 2023</b>					
Projects in progress	1.89	-	-	0.70	2.59
Projects temporarily suspended	-	-	-	-	-
	<b>1.89</b>	<b>-</b>	<b>-</b>	<b>0.70</b>	<b>2.59</b>
<b>As at March 31, 2022</b>					
Projects in progress	-	-	9.79	-	9.79
Projects temporarily suspended	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>9.79</b>	<b>-</b>	<b>9.79</b>

In Case of below projects, completion is overdue, total cost approved is ₹ 26.16 Crore and the project is expected to be completed as below

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
SAP S-4 HANA SAP/ERP	3.50	5.26	5.70	-
Project 2				
Projects temporarily suspended	-	-	-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 7. Right-of-use Assets

(₹ in crore)

Particulars	Land (ii)	Building (i)	Vehicles	Total
<b>Gross Block</b>				
<b>As at 1st April 2021</b>	<b>1.25</b>	<b>5.21</b>	<b>0.04</b>	<b>6.50</b>
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
<b>As at 31st March, 2022</b>	<b>1.25</b>	<b>5.21</b>	<b>0.04</b>	<b>6.50</b>
Addition during the year	0.35	-	-	0.35
Disposals / adjustment during the year	-	(0.01)	-	(0.01)
<b>As at 31st March, 2023</b>	<b>1.60</b>	<b>5.20</b>	<b>0.04</b>	<b>6.84</b>
<b>Depreciation and Impairment</b>				
<b>As at 1st April 2021</b>	<b>0.11</b>	<b>1.55</b>	<b>0.04</b>	<b>1.70</b>
Depreciation during the year	0.05	0.32	-	0.37
Impairment	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
<b>As at 31st March, 2022</b>	<b>0.16</b>	<b>1.87</b>	<b>0.04</b>	<b>2.07</b>
Depreciation during the year	0.06	0.32	-	0.38
Impairment	-	-	-	-
Disposals / adjustment during the year	-	(0.01)	-	(0.01)
<b>As at 31st March, 2023</b>	<b>0.22</b>	<b>2.18</b>	<b>0.04</b>	<b>2.44</b>
<b>Net Book Value</b>				
<b>At 31st March, 2023</b>	<b>1.38</b>	<b>3.02</b>	<b>-</b>	<b>4.40</b>
<b>At 31st March, 2022</b>	<b>1.09</b>	<b>3.34</b>	<b>-</b>	<b>4.43</b>

#### Foot Note:

- Includes lease hold building on Railways land for 30 years lease at San Martin Marg, New Delhi; Pali Hill, Mumbai & Metro Railway Service Building, Kolkata for which agreement is yet to be finalised.
- Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ₹0.76 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

Title deeds of immovable properties not held in name of the company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reason for not being held in the name of the company (also indicate if in dispute)
Right to use building residential - lease asset	Pali Hill, Bandra Flat No. 401 Mumbai	0.21	Western Railway	NA	Flats are constructed on Railway Land and has been leased to IRCON by respective Zonal Railway for a period of 30 years based on instruction issued in this regard.
Right to use building residential - lease asset	Flats at St. Martin, New Delhi	2.26	Northern Railway	NA	Office accommodation constructed by Metro Railway, Kolkata on Railway Land and has been leased out to IRCON for a period of 30 years as per instruction issued in this regard.
Right to use building non resi. - Lease asset	Metro Rail Service Building, Kolkata	0.75	Metro Rail, Kolkata	NA	

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 8. Non-Current Financial Assets

##### 8.1 Non-Current Financial Assets – Investments

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>1. Investments in Equity Instruments (fully paid-up, unquoted, at cost)</b>		
<b>A) Subsidiary Companies</b>		
Ircon Infrastructure & Services Limited 6,50,00,000 equity shares of ₹10 each ( 31 March 2022 : 6,50,00,000)	65.00	65.00
Ircon PB Tollway Limited 16,50,00,000 equity shares of ₹10 each ( 31 March 2022 : 16,50,00,000) (Refer note (i) h)	230.62	230.79
Ircon Shivpuri Guna Tollway Limited 15,00,00,000 equity shares of ₹10 each ( 31 March 2022 : 15,00,00,000) (Refer note (i) g)	150.19	150.19
Ircon Vadodara Kim Expressway Limited 1,00,00,000 equity shares of ₹10 each ( 31 March 2022 : 1,00,00,000 equity shares) (Refer note (i) a)	205.98	179.42
Ircon Davanagere Haveri Highway Limited 17,30,00,000 equity shares of ₹10 each ( 31 March 2022 : 17,30,00,000 equity shares) (Refer note (i) c)	187.69	187.69
Ircon Gurgaon Rewari Highway Limited 50000 equity Share of ₹ 10 each (31 March 2022: 50000 equity shares) (Refer note (i) d)	71.40	18.40
Ircon Akhola-Shirsad Expressway Limited 50000 equity Share of ₹ 10 each (31 March 2022: 50000 Equity Share) (Refer note (i) (i))	51.49	0.05
Ircon Ludhiana Rupnagar Highway Limited 50000 equity Share of ₹ 10 each (31 March 2022: Equity Share Nil) (Refer note (i) j)	0.94	0.05
Ircon Bhoj Morbe Expressway Limited 50000 equity Share of ₹ 10 each (31 March 2022: Equity Share Nil) (Refer note (i) k)	6.78	0.05
Ircon Haridwar Bypass Limited 50000 equity Share of ₹ 10 each (31 March 2022: Equity Share Nil) (Refer note (i) l)	82.22	0.05
Ircon Renewable Power Limited 3800000 Equity Share of ₹10 Each ( 31 March 2022 :3800000 equity shares) (Refer note (i) f)	41.80	5.20
<b>Total (A) – Investment in Subsidiary Companies</b>	<b>1,094.09</b>	<b>836.89</b>
<b>B) Joint Venture Companies</b>		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of ₹10 each fully paid. ( 31 March 2022 : 6,38,70,000) (Refer note (ii) )	64.15	64.15
Indian Railway Stations Development Corporation Limited 5,19,99,699 equity shares of ₹10 each ( 31 March 2022 : 5,19,99,699 equity shares) (Refer note (iii))	52.00	52.00
Bastar Railway Pvt. Limited 7,63,37,300 equity shares of ₹10 each ( 31 March 2022 : 7,63,37,300 equity shares)	76.34	76.34
Jharkhand Central Railway Limited 2,62,56,438 equity shares of ₹10 each ( 31 March 2022 : 1,30,00,000) (Refer note (i) b)	140.37	63.00
Mahanadi Coal Railway Limited 2,60,00,000 equity shares of ₹10 each ( 31 March 2022 : 2,60,00,000 equity shares) (Refer note (i) m)	78.00	26.00
Chhattisgarh East Railway Limited 19,78,55,700 equity shares of ₹10 each fully paid. ( 31 March 2022 : 19,78,55,700 equity shares) (Refer note (i) (e))	213.46	213.46
Chhattisgarh East-West Railway Limited 19,39,91,200 equity shares of ₹10 each fully paid. ( 31 March 2022 : 15,71,70,000 equity shares)	193.99	157.17

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Total (B) – Investment in Joint Venture Companies</b>	<b>818.31</b>	<b>652.12</b>
<b>2. Investment in Bonds (Quoted, at Amortised cost)</b>		
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, Nil units of ₹1,000 each ( 31 March 2022 : 5,00,000 units)	-	50.00
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, Nil units of ₹10,00,000 each ( 31 March 2022 : 500 units)	-	49.98
7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of ₹10,00,000 each ( 31 March 2022 : 250 units)	25.00	25.00
7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of ₹1,000 each ( 31 March 2022 : 3,02,000 units)	30.20	30.20
7.14% NHA1 Tax Free Bonds, 1,99,989 units of ₹1,000 each ( 31 March 2022 : 1,99,989 units)	20.00	20.00
7.02% NHA1 Tax Free Bonds, 500 units of ₹10,00,000 each ( 31 March 2022 : 500 units)	50.00	50.00
<b>Total (2) – Investment in Bonds (Quoted)</b>	<b>125.20</b>	<b>225.18</b>
<b>Total Non – Current Investments (1+2)</b>	<b>2,037.60</b>	<b>1,714.19</b>
<b>Aggregate Book value of quoted investments</b>	<b>125.20</b>	<b>225.18</b>
<b>Aggregate Market value of quoted investments</b>	<b>130.41</b>	<b>252.66</b>
<b>Aggregate Book value of unquoted investments 1(A)+1(B)</b>	<b>1,912.40</b>	<b>1,489.01</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

- (i) (a) BoD has approved the Equity participation (committed), not exceeding ₹ 10.00 crore in WOS, Ircon Vadodara Kim Expressway limited (IVKEL) Further, BoD has approved interest free loan not exceeding ₹ 195.74 crore for IVKEL which has been paid, Further includes fair value of the financial guarantee of ₹0.24 Crore issued by IRCON to Bank of Baroda on behalf of and in respect of term loan facility availed by IVKEL.
- (b) Board of Directors have approved Interest free loan, of ₹114.11 crores (March,31st 2022: ₹50 crores) in favour of Jharkhand Central Railway Limited (JCRL).
- (c) Includes fair value of the financial guarantee of ₹0.83 Crore (as on 31.03.2022 ₹ 0.83 Crore) issued by IRCON to Punjab National Bank on behalf of and in respect of term loan facility availed by Ircon Davanagere Haveri Highway Limited ( IDHHL),WOS.Further, BoD has approved interest free loan not exceeding ₹ 13.86 crore for IDHHL which has been paid.
- (d) BoD has approved the Equity participation (committed), not exceeding ₹ 5 Lakh for WOS, Ircon Gurgaon Rewari Highway Limited(IGRHL). Further, BoD has approved interest free loan not exceeding ₹ 103.18 crore for IGRHL out of which ₹71.35 Crore (March 31st ,2022:18.35 crore) has been paid.
- (e) BoD has approved interest free loan not exceeding ₹15.60 crore for Chhattisgarh East Railway Limited (CERL) which has been paid accordingly.
- "(f) BoD has approved the Equity participation (committed), not exceeding ₹3.80 crore in Ircon Renewal Power Limited (IRPL) Further, BoD has approved interest free loan not exceeding ₹108.03 crore in IRPL out of which ₹38.00 crore (March 31st, 2022: 1.40 crore) has been paid."
- (g) Includes fair value of the financial guarantee of ₹0.19 Crore (March 31,2022 ₹0.19 Crore) issued by Ircon to State Bank on behalf of and in respect of term loan facility availed by Ircon Shivpuri Guna Tollway Limited (ISGTL).
- (h) The Company vide board approval dated August 12,2021 has waived interest on its loan given to IRCON PB Tollway Limited for the period October 01,2019 till March 31, 2024 and deferment of balance interest till repayment of principal. The said waiver has been considered as Investment in subsidiary by the Company in accordance with provision of Ind AS. Accordingly ₹65.62 (March 2022: ₹65.79 Crore) crore has been included in above.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

- (i) BoD has approved the Equity participation (committed), not exceeding ₹5 Lakh for WOS, Ircon Akloli-Shirsad Expressway Limited (IASSEL). Further, BoD has approved interest free loan not exceeding ₹171.54 crore for IASEL out of which ₹51.44 Crore has been paid and Includes fair value of the financial guarantee of ₹106/- (as on 31.03.2022 ₹Nil) issued by IRCON to Bank of Baroda on behalf of and in respect of term loan facility availed by Ircon Akloli-Shirsad Expressway Limited (IASSEL)."
- (j) BoD has approved the Equity participation (committed), not exceeding ₹5 Lakh for WOS, Ircon Ludhiana Rupnagar Highway Limited (ILRHL). Further, BoD has approved interest free loan not exceeding ₹142.65 crore for ILRHL out of which ₹0.89 Crore (March 31, 2022 ₹Nil) has been paid.
- (k) BoD has approved the Equity participation (committed), not exceeding ₹5 Lakh for WOS, Ircon Bhoj Morbe Expressway Limited (IBMEL). Further, BoD has approved interest free loan not exceeding ₹205.80 crore for IBMEL out of which ₹6.73 Crore (March 31, 2022 ₹Nil) has been paid."
- (l) BoD has approved the Equity participation (committed), not exceeding ₹5 Lakh for WOS, Ircon Haridwar Bypass Limited (IHBL). Further, BoD has approved interest free loan not exceeding ₹111.85 crore for IHBL out of which ₹82.17 Crore (March 31, 2022 ₹Nil) has been paid."
- (m) Board of Directors have approved Interest free loan, of ₹52 crores (March 31, 2022 ₹Nil) in favour of Mahanadi Coal Railway Limited (MCRL) which has been paid.
- (n) The Interest free loan as per "(i) a to m" above will be repaid only on winding up of the SPVs/JV or end of concession period which ever is later.
- (ii) Includes fair value of the financial guarantee for ₹0.28 crore issued by IRCON to Punjab National Bank on behalf of and in respect of term loan facility availed by ISTPL. Loan outstanding as on 31.03.2023 is ₹Nil (as on 31.03.2022 ₹Nil).
- (iii) "Ministry of Railways" (MoR) vide its letter No. 2011/LMB/22/1/39 dated 18.10.2021 had communicated 'in-principle' decision for closure of Indian Railway Station Development Corporation Limited (IRSDC) and transfer/handover of its business to RLDA/MoR. Accordingly, as part of the closure activities, all assets and liabilities (except investments in SITCO and GARUD) are to be transferred to RLDA/MoR on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the 59th BoD meeting held on 07.11.2022 of IRSDC. Closure related activities initiated in FY 2021-22 are yet to be completed. The Liquidation process shall commence on completion of these activities and handing over of assets and liabilities to RLDA/MoR. Financial statement of IRSDC has been prepared on liquidation basis. The Company does not foresee any impairment in the value of its investment as the Company's share in the reported Net Worth of IRSDC is ₹58.50 Crore i.e. 26% of ₹225 Crore.

### 8.2 Non-Current Financial Assets – Loans

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.03	0.07
<b>B. Considered Good : Unsecured</b>		
(i) Loans to Related Parties:		
– Ircon PB Tollway Limited (Refer Note i)	199.24	209.78
– Ircon Vadodara Kim Expressway Limited	68.96	34.48
– Ircon Davanagere Haveri Highway Limited	47.13	38.76
(ii) Others:		
Staff Loans & Advances	0.48	0.38
<b>Total</b>	<b>315.84</b>	<b>283.47</b>

#### Foot Notes :

- i) The Company vide board approval dated August 12, 2021 has waived interest on its Loan given to IRCON PB Tollway Limited for the period October 01, 2019 till March 31, 2024. The said waiver has been considered as Investment in subsidiary by the Company in accordance with provision of Ind AS. {Refer Note 8.1 (i) (h)}

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Loan or advances in the nature of Loans granted to related parties: where without specifying any terms or period of repayment,

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^
Loan to Promoters	–	–	–	–
Loan to Directors	–	–	–	–
Loan to KMPs	–	–	–	–
Loan to Related parties	315.33	99.84%	283.02	99.84%
<b>Total</b>	<b>315.33</b>	<b>99.84%</b>	<b>283.02</b>	<b>99.84%</b>

\* represents loan or advance in the nature of loan

^ represents percentage to the total Loans and Advances in the nature of loans.

### 8.3 Non-Current Assets – Other Financial Assets

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good : Unsecured</b>		
<b>Security Deposits</b>		
– Government Departments	0.01	0.01
– Others	0.05	0.05
<b>Contract Asset:</b>		
– Retention Money with Client	3.54	2.61
– Money Withheld by Client	–	–
Fixed Deposits with original maturity of more than 12 months {refer foot note (i)}	0.01	0.01
Interest Accrued on Advances to Staff #	0.24	0.22
Interest Accrued on Loans to Related Party	3.96	–
Others		
Recoverable from Rail Land Development Authority (RLDA) {refer foot note (ii)}	15.00	630.31
Less : Loan From Indian Railway Finance Corporation {Refer Note 18.1}	–	(615.31)
<b>Total</b>	<b>22.82</b>	<b>17.90</b>

#### # Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Amount due from directors included in interest accrued on staff loans and advances	–	–
<b>Total</b>	<b>–</b>	<b>–</b>

#### Foot Notes:

- (i) Includes FDRs under Lien for ₹0.01 crore (as on 31 March 2022 : ₹0.01 crore).
- (ii) The Company has raised a loan from Indian Railway Finance Corporation ("IRFC") (Refer note 18.1) which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company, at least five (5) days prior to their respective due date under the Loan Agreement, into such account as maybe designated by IRFC. RLDA and Ministry of railways ("MoR") shall mutually enter into appropriate arrangements for corresponding disbursement of funds from MoR to RLDA. The terms and conditions of this recoverable amount is same as in the case of the said loan.

The Company shall be entitled to appoint appropriate developer(s) through open, competitive and transparent bid process for the purposes of undertaking the commercial development of the Project Site, and for the purposes thereof further sub-lease the Project Site (together with all associated Development Rights) to the developers so identified by the Company.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 9. Deferred Tax Assets (Net)

(a) The major components of income tax expense for the year ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 are :

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31st March 2023	31st March 2022
1	<b>Statement of Profit and Loss Section</b>		
	Current income tax :		
	Current income tax charge	215.33	159.87
	Adjustment in respect of current tax of previous year	(78.53)	(92.53)
	<b>Deferred tax :</b>		
	Relating to origination and reversal of temporary differences	(30.44)	(1.60)
	<b>Income tax expense reported in the Statement of Profit and Loss Section</b>	<b>106.36</b>	<b>65.74</b>
2	<b>Other Comprehensive income (OCI) Section</b>		
	<b>Income tax related to items recognised in OCI during in the year:</b>		
	Net loss/(gain) on remeasurements of defined benefit plans	0.49	(0.20)
	Net loss/(gain) on exchange gain/ loss	3.25	1.56
	<b>Income tax expense reported in the OCI Section</b>	<b>3.74</b>	<b>1.36</b>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022:

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31st March 2023	31st March 2022
1	Accounting profit before income tax	883.18	610.05
2	Tax on Accounting Profit	222.28	153.54
3	Effect on Tax Adjustments:		
(i)	Adjustments in respect of current income tax of previous years	(78.53)	aaa (92.40)
(ii)	Utilisation of previously unrecognised tax losses	-	-
	- Non taxable items	(37.38)	(20.07)
	rate Difference		
	-Other	(20.40)	0.36
(iii)	Tax on Income exempt from tax	-	-
(iv)	<u>Non-deductible expenses for tax purposes:</u>		
	-Other country additional tax	17.11	20.82
	-Other non-deductible expenses	7.01	4.85
(v)	Tax effect of various other items	-	-
		110.09	67.10
4	Income tax expense reported in the statement of profit and loss	110.09	67.10
5	Effective Tax rate	12.47%	11.00%

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

(₹ in crore)

S. No.	Particulars	Balance sheet		Statement of profit or loss	
		31st March 2023	31st March 2022	31st March 2023	31st March 2022
1	Property, plant & equipment (including intangible): Difference in book depreciation and income tax depreciation	(20.25)	(18.72)	1.53	4.00
2	Provisions	82.31	73.78	(8.53)	(2.84)
3	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	52.54	29.09	(23.44)	(2.75)
	<b>Net deferred tax Assets / (Liabilities)</b>	<b>114.60</b>	<b>84.15</b>	<b>(30.44)</b>	<b>(1.59)</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(d) Reflected in the balance sheet as follows:

(₹ in crore)

S. No.	Particulars	31st March 2023	31st March 2022
1	Deferred tax assets	134.84	102.88
2	Deferred tax liability	(20.24)	(18.73)
	<b>Deferred Tax (Liabilities) /Asset (Net)</b>	<b>114.60</b>	<b>84.15</b>

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

As at 31 March 2023

(₹ in crore)

S.No.	Particulars	Balance As at 1st April 2022 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March, 2023 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(18.73)	(1.52)	-	(20.25)
2	Provisions	73.79	8.53	-	82.32
3	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	29.09	23.44	-	52.53
	<b>Net deferred tax assets / (liabilities)</b>	<b>84.15</b>	<b>30.45</b>	<b>-</b>	<b>114.60</b>

As at 31 March 2022

(₹ in crore)

S.No.	Particulars	Balance As at 1st April 2021 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March, 2022 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(14.73)	(4.00)	-	(18.73)
2	Provisions	70.95	2.84	-	73.79
3	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	26.34	2.75	-	29.09
	<b>Net deferred tax assets / (liabilities)</b>	<b>82.56</b>	<b>1.59</b>	<b>-</b>	<b>84.15</b>

### 10. Other Non-Current Assets

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good : Unsecured</b>		
<b>Advances Other than Capital Advances</b>		
Advances to Contractors, Suppliers and Others	88.22	-
Interest Accrued on :		
- Advances to Contractors, Suppliers & others	3.00	30.00
Fair valuation adjustment	0.12	-
<b>Total</b>	<b>91.34</b>	<b>30.00</b>

### 11. Inventories

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated)		
- In Hand	17.30	18.42
- With Third Parties	15.61	33.76
- In Transit	-	3.31
Others (Scrap)	0.31	0.59
Construction Work In progress (valued at Cost)	173.22	216.18
<b>Total</b>	<b>206.44</b>	<b>272.26</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 12. Current Assets – Financial Assets

#### 12.1 Current Financial Assets – Investments

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each ( 31 March 2022 : 50 Cr.)	-	50.00
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of ₹1,000 each ( 31 March 2022 : Nil units)	50.00	-
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each ( 31 March 2022 : Nil units)	49.99	-
<b>Total</b>	<b>99.99</b>	<b>50.00</b>
<b>Aggregate book value of quoted investments</b>	<b>99.99</b>	<b>50.00</b>
<b>Aggregate Market value of quoted investments</b>	<b>109.93</b>	<b>55.23</b>
<b>Aggregate book value of unquoted investments</b>	-	-
<b>Aggregate amount of impairment in value of investments</b>	-	-

#### 12.2 Current Financial Assets – Trade Receivables

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured, considered good	-	-
Unsecured, considered good*	894.80	720.14
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	7.14	19.59
	<b>901.94</b>	<b>739.73</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	(26.07)	(10.98)
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables – credit impaired	(7.14)	(19.59)
<b>Total</b>	<b>868.73</b>	<b>709.16</b>

\* Includes Receivables from related parties ₹436.99 crore (As at 31st March 2022 : ₹258.10 crore) and are disclosed in Note : 33 (c) 4.1

#### Trade Receivable Ageing Schedule for the year ended as at 31st March 2023 and 31st March 2022

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	596.52	120.32	49.60	109.14	6.84	12.38	894.80
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	7.14	7.14
<b>Total</b>	-	<b>596.52</b>	<b>120.32</b>	<b>49.60</b>	<b>109.14</b>	<b>6.84</b>	<b>19.53</b>	<b>901.94</b>
Impairment Allowance								(33.21)
<b>Total</b>								<b>868.73</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	405.34	147.04	117.62	13.19	19.69	17.26	720.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	19.59	19.59
<b>Total</b>	-	<b>405.34</b>	<b>147.04</b>	<b>117.62</b>	<b>13.19</b>	<b>19.69</b>	<b>36.85</b>	<b>739.73</b>
Impairment Allowance								(30.57)
<b>Total</b>								<b>709.16</b>

#### 12.3 Current Financial Assets – Cash and Cash equivalents

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
Cash on hand		0.09	0.06
Remittance in Transit		13.61	-
Balances with banks:			
- On current accounts		380.90	863.83
- Flexi Accounts	(i) & (ii)	173.35	241.42
- Deposits with original maturity of less than 3 months	(i) & (ii)	1,600.46	100.89
<b>Total</b>		<b>2,168.41</b>	<b>1,206.20</b>

#### 12.4 Current Financial Assets – Other Bank Balances

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
<b>Other Bank Balances</b>			
Deposits with original maturity of more than 3 months but less than 12 months	(i) & (ii)	2,616.33	4,131.68
<b>Earmarked Balances:</b>			
CSR Bank Account		0.17	0.18
Dividend Distribution Account	(iii)	0.41	1.91
<b>Total</b>		<b>2,616.91</b>	<b>4,133.77</b>

Foot Notes : - for Note 12.3 & 12.4

i) Includes Clients Fund of ₹3130.67 crore (31st March 2022 : ₹3,291.29 crore) on which interest is passed on to them.

(ii) Includes Project Fund against trade payable ₹811.42 Cr.(31st March 2022: ₹1,010.33 Crore)

(iii) Includes TDS Payable on Interim Dividend ₹Nil Crore (March 2022 ₹1.57 Crore)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 12.5 Current Assets – Other Financial Assets

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.05	0.08
<b>B. Considered Good : Unsecured</b>		
<b>(i) Loans to Related Parties:</b>		
Subsidiaries		
– Ircon PB Tollway Limited	29.32	30.88
<b>(ii) Others:</b>		
Staff Loans & Advances	0.77	0.69
<b>Total</b>	<b>30.14</b>	<b>31.65</b>

Loan or advances in the nature of Loans granted to related parties:

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	29.32	97.28%	30.88	97.57%
<b>Total</b>	<b>29.32</b>	<b>97.28%</b>	<b>30.88</b>	<b>97.57%</b>

### 12.6 Current Assets – Other Financial Assets

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
<b>Security Deposits</b>			
– Government Departments		1.68	3.15
– Others		141.50	150.02
Earnest Money Deposit		0.54	1.45
Fixed Deposits with Original Mat.of >12M but Rem.mat.of <12M		25.48	4.30
Interest Accrued on :			
– Advance to Staff	(i)	0.13	0.22
– Loans to Related Parties		10.87	10.06
– Advances to Rail Land Development Authority (RLDA)		59.65	109.77
Less : Interest Accrued on Loan from Indian Railway Finance Corporation	(iv)	(51.89)	(103.81)
– Deposits with Banks		55.29	37.60
– Bonds		15.55	17.21
Contract Asset :			
– Billable Revenue / Receivable not due	(ii) (a) & (b)	361.47	250.19
– Construction Work in Progress (At realisable value)	(ii) (b)	482.03	208.47
– Retention Money with Client	(iii)	173.97	118.14
– Money Withheld by Client	(iii)	229.48	338.63
Share Application Money pending Allotment :			
"Indian Railway Stations Development Corporation Limited – 301 equity shares of ₹10 each ( 31 March 2022 : 301 Shares) (Refer note no. 8.1)"		-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
Other Recoverable :			
(a) From Related Parties (Joint Ventures)			
– International Metro Civil Contractor		3.49	3.45
– Metro Tunnelling Group		1.88	1.84
– Indian Railway station Development corporation Limited		0.09	1.03
– IRCON – AFCON JV		0.60	0.63
– Chhattisgarh East Railway Limited		0.29	0.22
– Bastar Railway Private Limited		0.02	0.02
– Mahanadi Coal Railway Limited		2.93	1.32
– Jharkhand Central Railway Limited		0.07	0.10
– Express Frieght Consortium		1.68	1.10
(b) From Related Parties (Subsidiaries)			
-Ircon Shivpuri Guna Tollway Limited		0.24	0.03
-Ircon Infrastructure & Services Limited		4.10	3.07
-Ircon PB Tollway Limited		0.43	0.44
– Ircon Vadodara Kim Expressway Limited		0.01	0.31
– Davanagere Haveri Highway Limited		0.09	0.08
– Ircon Gurgaon Rewari Highway Limited		0.03	0.07
-Ircon Akloli-Shirsad Expressway Limited		0.03	0.05
-Ircon Ludhiana Roopnagar Highway Limited		0.07	-
-Ircon Bhoj Morbe Highway Limited		0.07	0.02
-Ircon Haridwar Highway Limited		0.07	-
-Ircon Renewable Energy Limited		0.04	-
(c) Recoverable from Rail Land Development Authority (RLDA)		619.95	639.95
Less : Loan From Indian Railway Finance Corporation Ltd	(iv)	(615.31)	(615.31)
(d) Claims Recoverable from Clients		59.25	22.63
(e) Advance Lease Rent		0.12	0.13
(f) Others		17.71	16.97
<b>Considered Doubtful : Unsecured</b>			
<b>Security Deposits</b>			
– Government Departments		0.01	0.12
– Others		0.13	0.17
Earnest Money Deposit		0.16	0.16
Contract Asset :			
– Retention Money with Client		4.28	4.28
– Money Withheld by Client		2.67	2.67
Recoverable from Ircon Soma Tollway Pvt. Ltd.		0.05	0.05
Recoverable from Rail Land Development Authority (RLDA)		25.81	5.81
Claim Recoverable from Client Doubtful		2.25	2.26
Less : Impairment allowance for doubtful other financial assets		(35.36)	(15.52)
<b>Total</b>		<b>1,603.70</b>	<b>1,223.55</b>

#### Foot Notes :

- i) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are ₹Nil (31st March 2022 ₹Nil).



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Amount due from directors included in interest accrued on staff loans and advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

- ii) (a) Includes Value of work amounting to ₹184.73 crore (As at 31st March 2022 ₹188.44 crore) certified by client, but not billed by reporting date.  
 (b) Includes Receivables from related parties ₹271.14 crore (As at 31st March 2022 : ₹259.54 crore) and are disclosed in Note : 33 (c) 4.2 (a)  
 (iii) Includes Receivables from related parties ₹43.76 crore (As at 31st March 2022 : ₹25.61 crore) and are disclosed in Note : 33 (c) 4.2 (b)  
 (iv) Refer Note 8.3 (ii), 21.1 and 18.1(d)

### 13. Current Assets – Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	154.86	56.26
<b>Current tax Assets (Net)</b>	<b>154.86</b>	<b>56.26</b>

### 14. Other Current Assets

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good : Unsecured</b>		
<b>Advances Other than Capital Advances</b>		
Advances to Contractors against material and machinery	176.53	189.12
Advances to Contractors, Suppliers and Others	1,255.05	1,111.65
Advance Recoverable from:		
– Sales Tax (including TDS)	321.92	321.17
Less : Deposited under Protest	(217.05)	(217.05)
– Value Added Tax	80.47	79.41
– Goods & Services Tax	847.13	585.10
– Service Tax input credit	0.01	0.01
Security Deposits	44.28	41.31
<b>Interest Accrued on:</b>		
Deposits & Advances with Contractors, Suppliers & Others	79.64	36.48
Prepaid Expenses	10.40	9.32
<b>Considered Doubtful : Unsecured</b>		
Advances to Contractors, Suppliers and Others	16.99	16.99
Sales Tax (including TDS)	30.00	35.04
Value Added Tax	9.88	9.89
Less: Impairment allowance for doubtful advances	(56.87)	(61.92)
<b>Total</b>	<b>2,598.38</b>	<b>2,156.52</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 15. Assets held for Sale

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Assets held for disposal	0.01	0.27
<b>Total – Assets held for Sale</b>	<b>0.01</b>	<b>0.27</b>

- (i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realizable value and book value) :-

(₹ in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As At 31 March 2023		As At 31 March 2022	
					Gross Block	Net Block	Gross Block	Net Block
<b>Plant and Machinery</b>								
Northern Region	Plant and Machinery (Noida Workshop)	Through e-auction like MSTC with expected time of disposal by end of year 2023	-	Domestic : PMD Division	-	-	0.78	0.04
Northern Region	Plant and Machinery (DMRC CE 6)	Through e-auction like MSTC with expected time of disposal by end of year 2024	-	Domestic	0.19	0.01	0.19	0.01
Malaysia Region	Locomotives – 2 No.(4 No.)	Open Tender	-	International	-	-	0.08	0.08
<b>Office Equipment's</b>								
Malaysia Region	28 Items (NIL) of Office Equipments, 17 No. (NIL) of Air conditioners & 68 Items (NIL) of Electrical Appliances	Limited Tender	-	International	-	-	0.03	-
<b>Furniture &amp; fixtures</b>								
Malaysia Region	79 Items of Furnitures	Limited Tender	-	International	-	-	0.01	-
Freehold Building – Residential								
Southern Region {Refer Note (iii)}	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	-	-	0.19	0.14
<b>Total</b>			<b>-</b>		<b>0.19</b>	<b>0.01</b>	<b>1.28</b>	<b>0.27</b>

- (ii) Property Plant & Equipment classified as Held for Sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification. Accordingly, impairment loss of ₹Nil (31st March 2022 : Nil) has been provided for.  
 (iii) During the Financial Year 2022–23, a residential building situated at Chennai is transferred to Property, Plant & Equipment upon criteria stated by Ind AS 105 "Non current assets held for sale" are no longer met.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 16. Equity Share capital

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised Share Capital</b>		
200,00,00,000 Equity shares of ₹2 each		
200,00,00,000 Equity shares of ₹2 each as at 31st March 2022	400.00	400.00
	<b>400.00</b>	<b>400.00</b>
<b>Issued/Subscribed and Paid up Capital</b>		
94,05,15,740 Equity shares of ₹2 each-fully paid		
94,05,15,740 Equity shares of ₹2 each-fully paid as at 31st March 2022 (Refer note no. 16(f))	188.10	188.10
	<b>188.10</b>	<b>188.10</b>

#### (a) Details of shareholders holding more than 5% of fully paid up equity shares:

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Government of India in the name of the President of India and Government nominees (Refer Note 'e')	688,301,650	73.18%	688,301,650	73.18%

#### (b) Details of shares held by promoter's

Name of the shareholder	Shares held by Promoter as at 31st March, 2023			Shares held by Promoter as at 31st March, 2022		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Government of India in the name of the President of India and Government nominees	688,301,650	73.18%	NA	688,301,650	73.18%	NA

#### (c) Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share
Equity shares allotted other than cash	-	-	-	-	-	-
Equity shares issued as bonus shares	-	470,257,870	-	-	-	-
Equity shares Buy Back	-	-	-	-	-	4,928,426
<b>Total</b>	<b>-</b>	<b>470,257,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,928,426</b>

In FY 2017-18, Department of Investment and Public Asset Management (DIPAM) had instructed the Company to buy back shares to the extent of 5% of paid up capital. Total shares proposed to be bought back was 49,41,818 in numbers at book value of these shares. Board of Directors at its 236th meeting dated 21.09.2017 approved proposal to buy back by the company of its fully paid up equity shares of ₹10 each not exceeding 49,41,818 shares from the existing shareholders. As on the closing date of submission of offer i.e. 04.12.2017 offer for 49,28,426 shares held by Govt. of India was received.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### (d) Terms / Rights attached to Equity Shares :

#### (i) Voting

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity share is entitled to one vote per share.

#### (ii) Liquidation

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

#### (iii) Dividend

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting

### (e) 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 2023		As at 31 March 2022	
	No of shares	₹ in crore	No of shares	₹ in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	940,515,740	188.10	470,257,870	94.05
Add: Bonus Shares Issued during the year	-	-	470,257,870	94.05
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	<b>940,515,740</b>	<b>188.10</b>	<b>940,515,740</b>	<b>188.10</b>

(f) The Board of Directors of IRCON in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of ₹2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Company is ₹188,10,31,480 divided into 94,05,15,740 equity shares of ₹2/- each.

### 17. Other Equity

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Retained Earnings</b>	1,642.52	1,094.65
General Reserve	3,333.71	3,333.71
Capital Redemption Reserve	4.93	4.93
Other Comprehensive Income	9.22	(0.43)
<b>Total</b>	<b>4,990.38</b>	<b>4,432.86</b>
<b>i) Movement as per below:</b>		
<b>(a) Retained Earnings</b>		
<b>Opening Balance</b>	<b>1,094.65</b>	<b>978.87</b>
Transfer from surplus in statement of profit and loss	776.83	544.32
Dividend declared and paid during the year	(61.13)	(159.89)
Interim Dividend	(169.29)	(174.00)
Re-measurement of defined benefit plans (net of tax)	1.46	(0.60)



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Bonus Share Issue	-	(94.05)
<b>Closing Balance</b>	<b>1,642.52</b>	<b>1,094.65</b>
<b>(b) General Reserve</b>		
<b>Opening and Closing Balance</b>	<b>3,333.71</b>	<b>3,333.71</b>
<b>(c) Capital Redemption Reserve</b>		
<b>Opening Balance</b>	<b>4.93</b>	<b>4.93</b>
Transfer for Buy Back of Equity Shares	-	-
<b>Opening and Closing Balance</b>	<b>4.93</b>	<b>4.93</b>
<b>(d) Other Comprehensive Income</b>		
<b>Opening Balance</b>	<b>(0.43)</b>	<b>(5.08)</b>
Foreign Currency Translation (net of tax) during the Year	9.65	4.65
<b>Closing Balance</b>	<b>9.22</b>	<b>(0.43)</b>
<b>Grand Total (a+b+c+d)</b>	<b>4,990.38</b>	<b>4,432.86</b>

### 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) Capital Redemption Reserve

The Company has created Capital Redemption Reserve out of the profits after Buy Back of shares on 26th December 2017.

#### (d) Items of Other Comprehensive Income

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

### iii) Dividend Distribution

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Cash dividends on equity shares declared / paid:</b>		
Final Dividend of FY 2021-22 paid during 2022-23: INR 0.65 per share (Paid during FY 2021-22: INR 1.70 per share)	61.13	159.89
Interim dividend paid during 2022-23: INR 1.80 per share (FY 2021-22: INR 1.85 per share)	169.29	174.00
<b>Total</b>	<b>230.42</b>	<b>333.89</b>

### iv) Dividends not recognised at the end of the reporting year

Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting :

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Dividend for 31 March 2023: INR 1.20 per share (31 March 2022: INR 0.65 per share)	112.86	61.13
<b>Total</b>	<b>112.86</b>	<b>61.13</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 18. Non-Current Liabilities – Financial Liabilities

#### 18.1 Non-Current Financial Liabilities – Borrowings

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured:</b>		
Loan From Indian Railway Finance Corporation {Refer Note below}	-	615.31
Less: Recoverable from Rail Land Development Authority (RLDA) {Refer Note 8.3}	-	(615.31)
<b>Total</b>	<b>-</b>	<b>-</b>

#### Notes :

##### (a) Terms and Conditions of the unsecured Loan :

The Company has raised a loan from Indian Railway Finance Corporation ("IRFC") of ₹3200 crore as on 28th March 2018 which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company. The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019. [Refer note 8.3 (Foot note (ii)). Companies Act has been complied with for such transactions and the transactions are not violative of any applicable Act.

##### (b) Rate of Interest :

- The Company will pay interest on the principal amount of the Loan advanced and outstanding from time to time, at the rate of 8.77% (Eight point seven seven percent) per annum ("Applicable Interest rate") (exclusive of applicable interest tax, service tax and / or any such other taxes / levies / duties). Such taxes / levies / duties, if any, applicable, shall be payable (in the same manner and time as the principal and interest) by the Borrower to the Lender over and above the rates specified above.
- The Applicable Interest Rate shall be fixed for currency of loan term.

##### (c) Termination of the Memorandum of Understanding (MOU)

Upon the occurrence of certain identified events the MOU would stand terminated, whereupon IRCON would be substituted by such entity as agreed to between IRFC, IRCON, RLDA & Ministry of Railways (MoR). MoR would be entitled to pre pay the entire outstanding under the Loan Agreement on termination of this agreement.

##### (d) Offsetting the Loan from IRFC and Recoverable from RLDA

As per para 2.4 of the Memorandum of understanding ("MOU") entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company.

Company has a legally enforceable right to set off the loan liability regarding IRFC and recoverable from RLDA as per MOU and have the financial arrangement to settle the loan from IRFC with the proceeds realised from RLDA simultaneously. Accordingly, as per provision of IND AS-32 amount recoverable from RLDA and loan from IRFC has been offset and the net amount presented in the balance sheet.

##### e. The Company has not defaulted on any loans payable.

#### 18.2 Non-Current Financial Liabilities – Lease Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liability	0.42	0.15
<b>Total</b>	<b>0.42</b>	<b>0.15</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 18.3 Non-Current Financial Liabilities – Trade Payables

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Micro, Small & Medium Enterprises	-	-
(B) Other than Micro, Small & Medium Enterprises	-	-
(i) Contractor & Suppliers	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Notes :

- Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 43.
- Terms and Conditions and other balances with related parties are disclosed in Note 33.

### 18.4 Non-Current Liabilities – Other Financial Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Deposits and Retention money	652.85	505.51
Financial Guarantee Contract	0.15	0.17
<b>Total</b>	<b>653.00</b>	<b>505.68</b>

## 19. Provisions

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
Provision for Employee Benefits	19.1	119.33	105.70
Other Provisions	19.2	201.41	185.04
<b>Total</b>		<b>320.74</b>	<b>290.74</b>
Current		201.05	211.04
Non Current		119.69	79.70

#### 19.1 Provision for Employee Benefits :

- The provisions are created for the purpose of leave encashment, settlement allowance, post retirement medical benefits, performance related pay and leave travel concession.
- Disclosures as per Ind AS 19 'Employee benefits' are provided in Note .
- Movement in the carrying value of Provisions for Employee Benefits are provided as below:

(₹ in crore)

Particulars	* Leave Salary	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Performance Related Pay	Leave Travel Concession	Contribution to PF & Other Funds	Total
<b>As at 31-March-2022</b>	<b>69.72</b>	<b>1.19</b>	<b>4.64</b>	<b>27.54</b>	<b>0.11</b>	<b>2.50</b>	<b>105.70</b>
Current	9.22	0.16	4.64	27.54	0.01	2.50	44.07
Non Current	60.50	1.03	-	-	0.10	-	61.63
Provision made during the year	11.65	0.15	5.26	29.53	0.08	3.46	50.13
Less: Utilization during the year	(12.38)	(0.04)	(4.64)	(16.96)	-	(1.03)	(35.05)
Less: Write Back during the year	(0.06)	-	-	-	-	(1.47)	(1.53)
Actuarial Gain/Loss	-	(0.16)	-	-	-	-	(0.16)
(Exchange Gain) / Loss	0.24	-	-	-	-	-	0.24
<b>As at 31-March-2023</b>	<b>69.17</b>	<b>1.14</b>	<b>5.26</b>	<b>40.11</b>	<b>0.19</b>	<b>3.46</b>	<b>119.33</b>
Current	7.79	0.15	5.26	40.11	0.02	3.46	56.79
Non Current	61.38	0.99	-	-	0.17	-	62.54

\* Includes ₹0.49 crore for employees posted on Foreign Projects on which Leave Salary Provision has been made on actual basis.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 19.2 Other Provisions :

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows :

#### a) Demobilisation Provisions

The Company has made provision for demobilisation to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment in respect of foreign projects.

#### b) Maintenance Provisions

In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, obligations of the sub-contractor, operating turnover and other relevant factors.

#### c) Legal Cases

Provision for legal cases represents liabilities that are expected to materialise in respect of matters in courts, arbitrations and appeal.

#### d) Provisions for Other Expenses

Provision for other expenses represents expected liabilities in respect of indirect taxes and others.

(₹ in crore)

Particulars	Demobilisation	Maintenance	Onerous Contracts	Design Guarantee	Legal Cases	Other Expenses	Total
<b>As at 31-March-2022</b>	<b>13.03</b>	<b>33.23</b>	<b>-</b>	<b>-</b>	<b>59.39</b>	<b>79.39</b>	<b>185.04</b>
Current	11.91	16.28	-	-	59.39	79.39	166.97
Non Current	1.12	16.95	-	-	-	-	18.07
Provision made during the year	0.63	11.10	35.62	-	9.83	0.50	57.68
Less: Utilization during the year	(0.03)	(0.36)	(8.81)	-	-	(17.01)	(26.21)
Less: Write Back during the year	-	(1.77)	-	-	-	(18.15)	(19.92)
(Exchange Gain) / Loss	1.08	2.41	-	-	-	1.01	4.50
Unwinding of discount	0.02	0.30	-	-	-	-	0.32
<b>As at 31-March-2023</b>	<b>14.73</b>	<b>44.91</b>	<b>26.81</b>	<b>-</b>	<b>69.22</b>	<b>45.74</b>	<b>201.41</b>
Current	12.77	16.53	-	-	69.22	45.74	144.26
Non Current	1.96	28.38	26.81	-	-	-	57.15

## 20. Other Non- Current Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Contract Liability</b>		
Advance from clients	746.38	501.69
<b>b) Others</b>		
Others	0.04	1.10
Lease Equilisation Liability	12.82	-
<b>Total</b>	<b>759.24</b>	<b>502.79</b>

#### Notes:

Terms and Conditions and other balances with related parties are disclosed in Note 33.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 21. Current Liabilities – Financial Liabilities

##### 21.1 Borrowings

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured</b>		
<b>Current Maturities of Long-Term Debt :</b>		
Loan From Indian Railway Finance Corporation"	615.31	615.31
Less : Recoverable from Rail Land Development Authority (RLDA) (i)	(615.31)	(615.31)
<b>Total</b>	<b>-</b>	<b>-</b>

(i) Refer Note 12.6 (c) and 18.1 (d)

##### 21.2 Current Financial Liabilities – Lease Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liability	0.09	0.01
<b>Total</b>	<b>0.09</b>	<b>0.01</b>

Notes:

##### 21.3 Current Financial Liabilities – Trade Payables

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Micro, Small & Medium Enterprises	9.24	3.21
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	798.20	1,006.93
(ii) Related Parties	3.97	0.19
<b>Total</b>	<b>811.41</b>	<b>1,010.33</b>

Notes:

- a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 43.
- b) Terms and Conditions and other balances with related parties are disclosed in Note 33.

##### Trade payables Ageing Schedule for the year ended as at 31st March, 2023 and 31st March 2022

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended as at 31st March, 2023 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	4.57	2.90	1.77	-	-	-	9.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.31	77.11	578.44	5.80	0.85	14.84	801.35
Disputed dues of micro enterprises and small enterprises			-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises			0.05	0.04	0.14	0.59	0.82
<b>Total</b>	<b>128.88</b>	<b>80.01</b>	<b>580.26</b>	<b>5.84</b>	<b>0.99</b>	<b>15.43</b>	<b>811.41</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended as at 31st March, 2022 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	2.91	0.24	0.06	-	-	-	3.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	753.53	29.89	201.53	3.22	1.09	15.50	1,004.76
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	0.03	-	0.04	0.14	0.21	1.94	2.36
<b>Total</b>	<b>756.47</b>	<b>30.13</b>	<b>201.63</b>	<b>3.36</b>	<b>1.30</b>	<b>17.44</b>	<b>1,010.33</b>

##### 21.4 Current Liabilities – Other Financial Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Accrued on Loan from Indian Railway Finance Corporation	51.89	103.81
Less : Advances to Rail Land Development Authority (RLDA) (i)	(51.89)	(103.81)
Gratuity Payable	7.17	4.69
Deposits, Retention money and Money Withheld	1,595.39	1,167.67
Financial Guarantee Contract	0.02	0.15
Amount Payable to Client	590.03	916.14
Dividend Payable to Client	1.12	1.12
Interest Payable on Advance from Client	329.41	330.82
Other Payables (including Staff Payable)	167.63	166.67
<b>Total</b>	<b>2,690.76</b>	<b>2,587.27</b>

(i) Refer Note 12.6 (c) and 18.1 (d)

#### 22. Other Current Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>a) Contract Liability</b>		
Advance from clients	2,785.52	2,981.14
– Less: Deposits under protest	(217.05)	(217.05)
Advance contract receipts	216.93	167.40
<b>b) Others</b>		
Statutory dues *	440.80	264.53
Lease Equilisation Liability	7.58	-
<b>Total</b>	<b>3,233.78</b>	<b>3,196.02</b>

Notes:

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 23. Current Tax Liability (Net)

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for tax (Net of Advance Tax)	28.49	13.53
<b>Total</b>	<b>28.49</b>	<b>13.53</b>

### 24. Revenue from Operations

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Contract Revenue	9,894.87	6,873.42
Company's share of turnover in Integrated Joint operations (unincorporated)	0.58	0.62
Machinery Hire Charges	4.55	13.54
Other Operating Revenue	21.20	22.57
<b>Total</b>	<b>9,921.20</b>	<b>6,910.15</b>

### 25. Other Income

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Interest Income :</b>		
Interest on Tax Free Bonds	19.53	21.96
Interest on Refund of Income-tax	16.66	-
Interest on Staff Advances	0.07	0.07
Interest on Loan to Related Parties*	8.77	54.13
Interest on Other Advances/Claims	78.10	64.62
Less:- Other Interest Passed to Clients	(56.02)	(26.28)
Interest Income on Unwinding of Financial Instruments <sup>1</sup>	18.74	15.45
Bank Interest Gross	230.27	122.32
Less:- Bank Interest Passed to Clients	(67.12)	(43.62)
Amortisation of Financial Instruments	0.15	0.82
<b>Others :</b>		
Profit on Sale of Assets	2.49	1.07
Profit on Sale of Mutual Funds	0.32	2.18
Less:-Profit on Sale of Mutual Fund Passed to Clients	-	(1.03)
Miscellaneous Income <sup>2</sup>	15.75	18.17
Less:-Insurance Claim Passed on	-	(0.01)
Exchange Fluctuation Gain	227.49	-
Less:- Exchange Fluctuation Loss	(223.77)	-
Dividend from JVs	69.00	41.00
<b>Total</b>	<b>340.43</b>	<b>270.85</b>

1 Includes ₹18.73 Crore (31.03.2022 ₹15.44) on account of fair value of loan of Ircon PB Tollway limited

2 Includes Co.Shares of other Income of JCE ₹0.13 Crore (31.03.2022 ₹0.15 Cr.)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### \* Interest on Loan to Related Parties:

(₹ in crore)

Particulars of Related Parties	2022-23	2021-22
- Chhattisgarh East-West Railway Limited	0.90	0.79
- Ircon Shivpuri Guna Tollway Limited	-	37.72
- Ircon Davanagere Haveri Highway Limited	3.68	2.09
- Ircon Vadodara Kim Expressway Limited	4.19	13.53
<b>Total</b>	<b>8.77</b>	<b>54.13</b>

### 26. (i) Materials and Stores consumed

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance		52.77	67.10
Add: Purchases during the year	(i)	372.53	497.80
		425.30	564.90
Less: Closing Balance		(33.22)	(52.77)
<b>Total</b>		<b>392.08</b>	<b>512.13</b>

(i) Includes Exchange gain/ (loss) of Ind AS for ₹(1.04) crore (31st March 2022 : ₹(0.15) crore).

### 26. (ii) (Increase) / Decrease in WIP

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance	216.18	50.04
Add: Adjustments during the year for Exchange gain/ (loss)	2.63	0.88
	218.81	50.92
Less: Closing Balance	(173.22)	(216.18)
<b>Total</b>	<b>45.60</b>	<b>(165.26)</b>

### 26. (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Work Expenses		8,332.57	5,733.07	-	-
Design, Drawing, Business Development & Consultancy Charges		8.95	7.04	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		26.76	28.93	-	-
Repairs and Maintenance of Machinery		13.55	9.47	-	-



## NOTES TO STANDALONE FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Hire Charges of Machinery		17.94	14.39	-	-
Exchange Fluctuation Loss		-	-	-	54.52
Less:- Exchange Fluctuation Gain		-	-	-	(40.43)
Net Exchange Fluctuation Loss		-	-	-	14.09
Rent - Non-residential		5.00	4.30	0.40	0.30
Rates and Taxes		66.05	20.71	0.58	0.62
Vehicle Operation and Maintenance		13.85	11.91	2.18	1.15
Repairs and Maintenance					
- Building		0.60	0.20	0.54	0.27
- Office and Others		5.14	3.89	7.49	5.52
Power, Electricity and Water charges		4.41	4.65	1.89	1.74
Insurance		10.72	5.69	0.51	0.60
Travelling & Conveyance		12.65	7.86	2.14	1.26
Printing & Stationery		1.43	1.07	0.68	0.61
Postage, Telephone & Telex		1.24	1.07	0.31	0.30
Bank Charges & Commission		7.08	6.79	0.33	0.23
Legal & Professional charges		28.09	14.77	9.34	8.90
Security Services		1.47	1.53	0.72	0.70
Listing Expenses		-	-	0.06	0.20
Business promotion		0.30	0.15	0.77	0.52
Write-off of :					
- Debts		0.81	0.43	-	-
- Advances		-	1.70	-	-
- Other Assets		-	-	-	-
Loss on sale of Assets / Stores		-	-	0.04	0.07
Director sitting fee		-	-	0.17	0.08
Donation		-	-	0.01	0.02
Auditors Remuneration	(iii)	-	-	0.68	0.67
Advertisement & Publicity		-	-	2.25	1.94
Training & Recruitment		-	-	0.31	0.39
Corporate Social Responsibility (Refer Note 44)		-	-	10.12	10.52
Miscellaneous expenses		4.18	3.34	2.08	1.40
Proportionate share of expenses in Integrated Joint operations (unincorporated)		0.16	0.26	-	-
Provisions (Addition - Write Back) (Refer Note 19) & Foot Note (i)		61.04	24.82	-	-
Provisions Utilised (Refer Note 19) & Foot note (ii)		(32.06)	(15.53)	-	-
<b>Total</b>		<b>8,591.93</b>	<b>5,892.51</b>	<b>43.60</b>	<b>52.11</b>

### Foot Note:-

- (i) Includes ₹23.29 Cr.(F.Y. 2021-22:- ₹14.99 Cr.) Provisions Addition-Write back against Doubtful Advance & Debts  
(ii) Includes ₹5.85 Cr.(F.Y.2020-21 ₹2.13 Cr.) against Doubtful Advance & Debts

## NOTES TO STANDALONE FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

### (iii) Payment to Statutory Auditors:

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Audit Fee - current year	0.33	0.31
(b) SAP Data Migration Audit Fee- Current Year	-	0.05
(c) Tax Audit Fees - current year	0.10	0.09
(d) Fee for Quarterly Limited Review	0.19	0.18
(e) Certification Fees	0.03	0.02
(f) Travelling & out of pocket expenses:		
- Travelling Expenses	-	0.01
- Out of Pocket Expenses	0.03	0.01
<b>Total</b>	<b>0.68</b>	<b>0.67</b>

## 27. Employee Remuneration and Benefits

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2023			For the year ended 31st March 2022		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	153.00	60.45	213.45	145.14	54.81	199.95
Contribution to Provident and Other Funds		9.17	5.57	14.74	9.17	9.00	18.17
Foreign Service Contribution		-	2.09	2.09	0.87	0.74	1.61
Retirement Benefits		18.57	13.58	32.15	17.28	9.38	26.66
Staff Welfare		1.92	0.35	2.27	1.96	0.24	2.20
<b>Total</b>		<b>182.66</b>	<b>82.04</b>	<b>264.70</b>	<b>174.42</b>	<b>74.17</b>	<b>248.59</b>

### Foot Notes:-

- (i) Includes income-tax on non-monetary perks ₹0.62 crore (31st March 2022 : ₹0.47 Crore).

## 28. Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest Expense	(i)	57.51	110.46
Less: Interest on Advance to Rail Land Development Authority (RLDA)		(56.03)	1.48
Other Borrowing Cost			
- Bank Guarantee & Other Charges		0.88	2.47
Interest on Unwinding of Financial Instruments		0.10	-
Interest Cost on Lease Liability		0.02	0.01
Amortisation of Financial Instruments		0.01	-
Unwinding of Discount on Provisions		0.31	0.45
<b>Total</b>		<b>2.80</b>	<b>3.37</b>

### Foot Notes:-

- (i) Includes interest on income-tax ₹0.01 crore (31st March 2022 : ₹0.01 Crore).

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 29. Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation of Property, Plant and equipment	24.09	16.55
Depreciation of Right to Use – Lease Assets	0.38	0.37
Amortization of Intangible Assets	0.85	0.23
Depreciation of Investment Property	12.41	10.34
<b>Total</b>	<b>37.73</b>	<b>27.49</b>

### 30. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Remeasurement Gain/(Loss) on Defined Benefit Plans	1.95	(0.80)
Income Tax relating to Items that will not be reclassified to profit or loss	(0.49)	0.20
<b>Total</b>	<b>1.46</b>	<b>(0.60)</b>

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Foreign Exchange Translation Differences	12.90	6.21
Income Tax relating to Items that will be reclassified to profit or loss	(3.25)	(1.56)
<b>Total</b>	<b>9.65</b>	<b>4.65</b>
<b>Grand Total</b>	<b>11.11</b>	<b>4.05</b>

Note: – 31

#### 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2023 are as follows:

(₹ in crore)

Particulars	Fair Value			
	Carrying Value	Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss ('FVTPL')</b>				
Investment in Mutual Funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Assets at Amortized Cost</b>				
(i) Investments				
Investments in Tax Free Bonds	225.19	-	-	225.19
(ii) Loans	345.98	-	-	345.98
(iii) Other Financial Assets	1,626.52	-	-	1,626.52
<b>Total</b>	<b>2,197.69</b>	<b>-</b>	<b>-</b>	<b>2,197.69</b>

(₹ in crore)

Particulars	Fair Value			
	Carrying Value	Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	-	-	-	-
(ii) Lease Liability	0.51	-	-	0.51
(iii) Other Financial Liabilities	3,343.76	-	-	3,343.76
<b>Total</b>	<b>3,344.27</b>	<b>-</b>	<b>-</b>	<b>3,344.27</b>

b) The carrying values and fair values of financial instruments by categories as at 31 March, 2022 are as follows:

(₹ in crore)

Particulars	Fair Value			
	Carrying Value	Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss ('FVTPL')</b>				
Investment in Mutual Funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Assets at Amortized Cost</b>				
(i) Investments				
Investments in Tax Free Bonds	275.18	-	-	275.18
(ii) Loans	315.12	-	-	315.12
(iii) Other Financial Assets	1,241.45	-	-	1,241.45
<b>Total</b>	<b>1,831.75</b>	<b>-</b>	<b>-</b>	<b>1,831.75</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Fair Value			
	Carrying Value	Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	-	-	-	-
(ii) Lease Liability	0.16	-	-	0.16
(iii) Other Financial Liabilities	3,092.95	-	-	3,092.95
<b>Total</b>	<b>3,093.11</b>	-	-	<b>3,093.11</b>

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:

- 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.
- 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 2022-23 and 2021-22, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

### B. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade, lease liability 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 also holds investment in mutual funds and tax free bonds. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

#### a) Market Risk

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

##### (i) Foreign Currency Risk

The Company operates 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 USD, EURO, BDT, DZD, LKR, JPY, MMK and ZAR. Significant foreign currency risk of group are naturally hedged.

As of March 31, 2023 and March 31, 2022, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹5.67 crore and ₹16.98 crore respectively.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

The Company's significant exposure to foreign currency risk at the end of reporting period are as follows:

As at 31 March 2023

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	JPY	MMK	ZAR	Total
<b>Assets</b>										
Trade Receivables	42.76	40.87	46.67	0.98	-	0.77	12.29	-	-	144.34
Cash & Bank Balances	46.08	161.30	1.44	2.80	2.37	0.91	113.97	25.88	0.01	354.76
Advance to Contractors	34.96	-	0.19	4.03	-	-	32.91	-	-	72.09
Other Assets	4.18	-	179.49	-	1.65	12.36	-	-	0.37	198.05
<b>Total</b>	<b>127.98</b>	<b>202.17</b>	<b>227.79</b>	<b>7.81</b>	<b>4.02</b>	<b>14.04</b>	<b>159.17</b>	<b>25.88</b>	<b>0.38</b>	<b>769.24</b>
<b>Liabilities</b>										
Trade Payables	13.56	34.46	22.80	9.59	11.34	-	-	2.52	-	94.27
Advance from Client	74.48	-	-	-	-	-	221.25	-	-	295.73
Other Liabilities	4.82	2.67	252.23	-	2.96	0.63	-	2.50	-	265.81
<b>Total</b>	<b>92.86</b>	<b>37.13</b>	<b>275.03</b>	<b>9.59</b>	<b>14.30</b>	<b>0.63</b>	<b>221.25</b>	<b>5.02</b>	<b>-</b>	<b>655.81</b>

As at 31 March 2022

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	JPY	MMK	ZAR	Total
<b>Assets</b>										
Trade Receivables	29.99	103.50	57.62	-	-	1.88	11.74	-	-	204.73
Cash & Bank Balances	10.71	93.16	26.51	3.28	21.90	2.34	-	-	0.06	157.96
Advance to Contractors	2.46	-	0.16	4.63	-	-	-	-	-	7.25
Other Assets	0.06	-	38.38	-	23.61	21.21	-	-	12.31	95.57
<b>Total</b>	<b>43.22</b>	<b>196.66</b>	<b>122.67</b>	<b>7.91</b>	<b>45.51</b>	<b>25.43</b>	<b>11.74</b>	<b>-</b>	<b>12.37</b>	<b>465.51</b>
<b>Liabilities</b>										
Trade Payables	6.98	48.53	6.55	7.64	16.58	0.13	-	-	0.74	87.15
Advance from Client	28.75	-	-	-	-	0.90	-	-	-	29.65
Other Liabilities	3.06	4.35	-	-	0.28	1.35	-	-	-	9.04
<b>Total</b>	<b>38.78</b>	<b>52.88</b>	<b>6.55</b>	<b>7.64</b>	<b>16.86</b>	<b>2.38</b>	<b>-</b>	<b>-</b>	<b>0.74</b>	<b>125.84</b>

#### (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.

The Company is exposed to credit risk for guarantees given. The Company's maximum exposure in this respect is the maximum amount the Company may have to pay if the guarantee is called on (see Note 37). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 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 (₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)</b>		
Non Current Investments	2,037.60	1,714.19
Non Current Loans	315.84	283.47
Other Non Current Financial Assets	19.28	15.29
Current Investments	99.99	50.00
Cash and Cash Equivalents	2,168.41	1,206.20
Other Bank Balances	2,616.91	4,133.77
Current Loans	30.14	31.65
Other Current Financial Assets	385.16	316.69
<b>Financial Assets for which allowance is measured using Simplified Approach</b>		
Trade Receivables	901.94	739.73
Contract Assets	1,257.44	924.99

#### Summary of change in loss allowances measured using Simplified approach (₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Allowances	37.52	29.63
Provided during the year	3.46	17.57
Utilization during the year	(0.81)	(0.43)
Amount written-off	-	(9.25)
<b>Closing Allowances</b>	<b>40.17</b>	<b>37.52</b>

During the year, the Company has recognised loss allowance of ₹3.46 Cr. (31 March, 2022 : ₹17.57 Cr ).

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

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Allowances	8.57	6.31
Provided during the year	20.00	2.26
Utilization during the year	(0.17)	-
Amount written-off	-	-
(Exchange Gain) / Loss	-	-
<b>Closing Allowances</b>	<b>28.40</b>	<b>8.57</b>

No significant changes in estimation techniques or assumptions were made during the reporting period.

During the year, the Company has recognised loss allowance of ₹20.00 (31 March, 2022 : ₹2.26 ).

#### 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

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 2023 and 31 March 2022

(₹ in crore)

Particulars	As on 31 March, 2023		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	-	-
Trade payables	811.41	-	-
Lease Liability	0.09	0.42	-
Other financial liabilities	2,690.76	653.00	-

Particulars	As on 31 March, 2022		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	-	-
Trade payables	1,010.33	-	-
Lease Liability	0.01	0.15	-
Other financial liabilities	2,587.27	505.68	-

#### 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.

The following table gives details in respect of revenues generated from top five projects.

(₹ in crore)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Revenue from top 5 Projects	6,107.15	4,291.71
	<b>6,107.15</b>	<b>4,291.71</b>

#### 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 :-

(₹ in crore)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Dividend Paid	230.42	333.89
<b>Total</b>	<b>230.42</b>	<b>333.89</b>

The BoD has recommended a final Dividend of ₹1.20 per equity share on face value of ₹2/- per equity share for the financial year 2022-23, subject to the approval of the shareholders at the AGM. This is in addition to Interim Dividend paid @ 1.85 per Share on face value of ₹2/- per equity share



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

### 32. Employee Benefits

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

#### (a) Defined Contribution Plans – General Description

##### Pension

The Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 i.e. April 01, 2009, for all regular employees drawing pay in IDA scale irrespective of their length of service except for those employees who joined before January 01, 2017 but would superannuate/resign after January 01, 2017, before completing 15 years of service, in such case Employer contribution towards pension would be effective from January 01, 2017 only. The scheme is managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Company's share of contribution amounting to **₹9.17 crore** (₹ 8.93 crore) for the period from April 01, 2022 to March 31, 2023 has been paid and accounted for during the period 2022-23.

Subsequent to closure of FY 2022-23, the Board of Directors in its 286th meeting held on 11th May, 2023 has approved for shifting of IRCON Defined Contribution Superannuation Pension Scheme, 2009 maintained with Life Insurance Corporation (LIC) to National Pension Scheme (NPS).

#### (b) Defined Benefit Plans – General Description

##### Provident fund

The Company pays fixed contribution of Provident Fund at a pre-determined rate to a separate trust ( IRCON Contributory Provident Fund Trust), which invests the funds in permitted securities. The trust is required to pay a minimum rate of interest on contribution to the members of the trust. The trust is approved by the Income Tax Authorities. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and the interest payment based on the notified interest rate.

During the period, the Company has contributed **₹13.64 crore** (₹ 13.43 crore) to the trust towards employer's contribution for provident fund.

##### Gratuity

The Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a separate trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. As at March 31, 2023 a liability of **₹7.17 crore** (₹ 4.68 crore) has been booked in the books of accounts based on the actuarial valuation.

##### Post retirement medical facility (PRMF)

The Company had established an irrevocable trust by initial one-time contribution of ₹12.00 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as a voluntary welfare measure for which the Company is not liable for providing such benefit to its employees. Further, the Company provides medical benefits to its employees (and spouse) who superannuate from the Company. The Company has contributed **₹5.26 crore** (₹ 4.64 crore) based on DPE guidelines on Superannuation Benefits.

##### Other Retirement benefits – General Description

Other retirement benefits include settlement at home-town or to the place where he/she or his/her family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

**The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on March 31, 2023 is as under:**

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

i) Changes in the present value of the defined benefit obligation are during (₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Defined benefit obligation at the beginning of the period</b>	<b>427.10</b>	<b>409.24</b>	<b>81.37</b>	<b>80.12</b>	<b>131.23</b>	<b>128.73</b>	<b>1.20</b>	<b>1.28</b>
Current service cost	40.54	43.44	3.65	3.44	3.43	3.51	0.06	0.06
Past service cost	-	-	4.97	-	-	-	-	-
Interest cost	33.82	33.96	5.79	5.24	9.33	8.41	0.08	0.08
Benefits paid	(47.55)	(60.08)	(3.62)	(8.58)	(4.30)	(5.30)	(0.04)	(0.10)
Actuarial (loss) / gain on obligations	(0.14)	0.54	(1.97)	1.15	(0.86)	(4.12)	(0.16)	(0.13)
<b>Defined benefit obligation at the end of the period</b>	<b>453.76</b>	<b>427.10</b>	<b>90.19</b>	<b>81.37</b>	<b>138.83</b>	<b>131.23</b>	<b>1.15</b>	<b>1.20</b>

ii) Changes in fair value of plan assets (₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Fair value of plan assets at the beginning of the period</b>	<b>424.56</b>	<b>409.82</b>	<b>76.68</b>	<b>75.39</b>	<b>110.29</b>	<b>104.47</b>	-	-
Contribution by employer & employee	40.54	43.44	4.69	4.72	4.64	4.72	-	-
Benefits paid	(47.55)	(60.08)	(3.62)	(8.58)	(4.30)	(5.30)	-	-
Interest income	32.75	31.39	5.57	5.45	6.95	6.40	-	-
Return on plan asset excluding interest income	-	-	-	-	-	-	-	-
LIC mortality charges	-	-	(0.30)	(0.31)	-	-	-	-
<b>Fair value of plan assets at the end of the period</b>	<b>450.30</b>	<b>424.56</b>	<b>83.03</b>	<b>76.68</b>	<b>117.58</b>	<b>110.29</b>	-	-

iii) Reconciliation of fair value of plan assets and defined benefit obligation: (₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Fair value of plan assets	450.30	424.56	83.03	76.68	117.58	110.29	-	-
Defined benefit obligation	453.76	427.10	90.19	81.37	138.83	131.23	1.15	1.20
<b>Amount recognised in the Balance Sheet</b>	<b>(3.46)</b>	<b>(2.54)</b>	<b>(7.16)</b>	<b>(4.69)</b>	<b>(21.25)</b>	<b>(20.94)</b>	<b>(1.15)</b>	<b>(1.20)</b>

iv) Amount recognised in Statement of profit and loss

**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Current service cost	13.67	12.42	3.65	3.44	3.43	3.52	0.06	0.06
Past service cost	-	-	4.97	-	-	-	-	-
Net interest expense	-	-	0.33	0.31	1.49	1.59	0.08	0.08
<b>Amount recognised in statement of Profit and Loss</b>	<b>13.67</b>	<b>12.42</b>	<b>8.95</b>	<b>3.75</b>	<b>4.92**</b>	<b>5.11</b>	<b>0.15</b>	<b>0.15</b>

v) Amount recognised in Other Comprehensive Income:

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Actuarial changes arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumptions	0.01	0.06	1.03	2.69	2.52	5.01	(0.02)	(0.05)
Experience adjustments	0.14	(0.59)	0.94	(3.85)	(1.66)	(0.89)	(0.14)	(0.09)
Return on Plan Assets excluding Interest Income	(1.06)	(2.58)	(0.18)	0.22	(0.89)	(0.44)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>(0.92)</b>	<b>(3.11)</b>	<b>1.79</b>	<b>(0.94)</b>	<b>(0.03)**</b>	<b>3.68</b>	<b>(0.16)</b>	<b>(0.13)</b>

\*\* The liability towards Post retirement medical benefit has been provided based on DPE guidelines on Superannuation Benefits. Therefore, the liability as per actuarial valuation has not been considered.

vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in crore)

**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
For The Year Ended 31<sup>st</sup> March 2023

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Government of India securities	59.16%	59.67%	-	-	6.74%	9.52%	-	-
State Government securities	0.00%	-	-	-	43.96%	30.86%	-	-
Central & Sate Guaranteed Bonds	0.00%	-	-	-	5.99%	18.73%	-	-
High quality corporate bonds	37.09%	38.04%	-	-	14.30%	23.40%	-	-
PSU Bond	0.00%	-	-	-	19.53%	7.35%	-	-
PSU Basel III Tier I Bonds	0.00%	-	-	-	8.51%	8.25%	-	-
Debt Mutual Fund	0.24%	0.77%	-	-	0.29%	-	-	-
ETF/INDEX/Equity Mutual Fund	3.25%	1.52%	-	-	0.67%	1.89%	-	-
Fund Managed by Insurer	0.26%	-	100.00%	100.00%	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>

vii) The principal assumptions used in determining PF/ gratuity/PRMB/Retirement Allowance liability for the Company's plans are shown below:

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Discount rate	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%
Future salary increase	8.15%	8.10%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Mortality rate	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)

viii) Quantitative sensitivity analysis for significant assumption shown above as at 31 March is as shown below:

(₹ in crore)

Particulars	PF Plan (Impact on DBO)		Gratuity Plan (Impact on DBO)		PRMB (Impact on DBO)		Retirement Allowance (Impact on DBO)	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
<b>Present value of obligation at the end of period</b>	<b>453.76</b>	<b>427.10</b>	<b>90.19</b>	<b>81.37</b>	<b>138.83</b>	<b>131.23</b>	<b>1.15</b>	<b>1.20</b>
Discount rate	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%
Increase by 0.50%	(0.02)	(0.02)	(2.33)	(2.20)	(5.24)	(4.93)	(0.04)	(0.05)
Decrease by 0.50%	0.02	0.02	2.51	2.36	5.33	5.04	0.05	0.05
<b>Future salary increases</b>	<b>8.15%</b>	<b>8.10%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>
Increase by 0.50%	-	-	1.05	0.94	-	-	0.05	0.05
Decrease by 0.50%	-	-	(1.09)	(0.97)	-	-	(0.04)	(0.05)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring at the end of the



## NOTES TO STANDALONE FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

### ix) Expected contribution for next annual reporting period

The expected contribution to the defined benefit plan for next annual reporting period is ₹23.07 Crore.

### x) Maturity profile of defined benefit obligation is as under

(₹ in crore)

Duration of defined benefit obligation duration (years)	Provident Fund	Gratuity	Post retirement medical benefit plan	Retirement Allowance
1	128.21	26.84	5.32	0.15
2	118.08	9.05	14.58	0.15
3		9.99	7.24	0.15
4		5.68	4.26	0.09
5		5.71	4.05	0.08
6	207.46	4.24	2.92	0.06
6 year onward	453.75	28.68	100.46	0.47
<b>Total</b>		<b>90.19</b>	<b>138.84</b>	<b>1.14</b>

### Risk analysis

Company is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

#### a) Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

#### b) Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### c) Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

## 33. Related Party Transactions

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

### a) List of Related Parties

#### (i) Subsidiary Companies

Ircon Infrastructure and Services Limited  
Ircon PB Tollway Limited  
Ircon Shivpuri Guna Tollway Limited  
Ircon Davanagere Haveri Highway Limited  
Ircon Vadodara Kim Expressway Limited  
Ircon Gurgaon Rewari Highway Limited  
Ircon Akloli-Shirsad Expressway Limited  
Ircon Ludhiana Rupnagar Highway Limited

## NOTES TO STANDALONE FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

Ircon Bhoj Morbe Expressway Limited  
Ircon Haridwar Bypass Limited  
Ircon Renewable Power Limited

### (ii) Joint Venture Companies

Ircon-Soma Tollway Private Limited  
Chhattisgarh East Railway Limited  
Chhattisgarh East-West Railway Limited  
Mahanadi Coal Railway Limited  
Jharkhand Central Railway Limited  
Bastar Railway Private Limited  
Indian Railway Stations Development Corporation Limited

### (iii) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation	Completed Joint Operations	Financially Closed Joint Operations
Express Freight Consortium	International Metro Civil Contractor	Ircon-COBRA-ELIOP
Express Freight Railway Consortium	Metro Tunnelling Group IRCON-AFCONS	Ircon- Sree Bhawani Builders Ircon-SMJ Project JV Ircon-GANNON Dunkerly Ircon-RCS-PFLEIDERER IRCON-SPSCPL RICON

### (iv) Key Management Personnel (KMP)

#### Whole Time Directors

Name	Designation
Shri Yogesh Kumar Misra <sup>1</sup>	CMD & Chief Executing Officer (CEO)
Smt. Ragini Advani <sup>2</sup>	Director (Finance)
Shri Sandeep Jain <sup>3</sup>	Director (Projects)
Shri Parag Verma	Director (Works) w.e.f. 21.09.2022

- Shri Yogesh Kumar Misra, Chairman & Managing Director and CEO – IRCON, relinquished the charge of the post of Chairman & Managing Director (CMD) w.e.f. April 29, 2023 hence he ceased to be CMD and CEO of the Company. Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board and Government Nominee (Part-Time Official) Director, IRCON has assumed the additional charge of Chairman & Managing Director, IRCON in addition to his own duties on April 29, 2023 until further orders of Ministry of Railways."
- Shri Mohit Sinha was ceased to be Director (Finance) w.e.f. 19.04.2022 upon appointment of Smt. Ragini Advani as Director (Finance).
- Shri S.L Gupta was Ceased to be Director (Projects) w.e.f. 31.12.2022 (on account of superannuation) and Shri Sandeep Jain, IRSE, Executive Director Planning (Civil & PSU) – Railway Board, was entrusted with the additional charge of Director (Projects) w.e.f. 12.01.2023

#### Company Secretary and Chief Financial Officer

Name	Designation
Ms. Ritu Arora	Company Secretary
Shri B. Mugunthan	Chief Financial Officer (CFO) w.e.f 26.04.2022

#### Other Directors

#### Government Nominee Part-Time (Official) Directors

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

Name	Designation
Shri Dhananjaya Singh	Government Nominee Part-Time (Official) Director
Shri Brijesh Kumar Gupta	Appointed as Nominee Director w.e.f. 29.03.2023
Shri Rajesh Argal	Ceased to be Nominee Director w.e.f. 31.07.2022
Shri Ram Prakash	Appointed as Nominee Director w.e.f. 23.09.2022 and Ceased to be Nominee Director w.e.f. 31.01.2023
Shri Ajay Kumar Chauhan	Independent Part-time (Non-Official) Director
Shri Dipendra Kumar Gupta	Independent Part-time (Non-Official) Director
Smt. Ranjana Upadhyay	Independent Part-time (Non-Official) Director
Dr. Kartik Chandulal Bhadra	Independent Part-time (Non-Official) Director

#### (v) Post Employment Benefit Plans

Ircon Gratuity Trust  
 Ircon Employees Contributory PF Trust  
 Ircon Medical Trust  
 Ircon Defined 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 73.18 % of equity shares in the name of President of India as at 31st March, 2023. 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

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

S. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
1	Short term employment benefits (i)	2.71	2.93
2	Other long-term employment benefits	0.75	0.66
3	Sitting fees	0.17	0.08
	<b>Total</b>	<b>3.62</b>	<b>3.67</b>

#### Note:

- (i) Figures of FY 2022-23 include PRP of ₹0.22 crore paid during the year for previous years on provisional basis ( For FY 2021-22 include PRP of ₹0.30 crore paid during the year for FY 2020-21 on provisional basis ).
- (ii) Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### Transactions with other related parties are as follows:

(₹ in crore)

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>1</b>	<b>Sale of goods and services</b>				
<b>1.1</b>	<b>Contract Revenue</b>	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.23	0.28
		Ircon PB Tollway Limited	Subsidiary Companies	-	7.86
		Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	27.92	19.88
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	(4.61)	21.74
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	236.61	402.60
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	144.12	18.21
		Ircon Akloli Shirsad Expressway Limited	Subsidiary Companies	63.45	-
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	23.03	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	22.81	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	64.23	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	128.94	199.36
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	497.18	298.94
		Mahanadi Coal Railway Limited	Joint Venture Companies	92.14	40.00
		Jharkhand Central Railway Limited	Joint Venture Companies	144.02	9.66
		Bastar Railway Private Limited	Joint Venture Companies	(1.59)	-
		Ministry of Railways	Government Related Entities	6,891.15	4,539.71
<b>1.2</b>	<b>Rent Income</b>	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.67	0.68
		Ircon PB Tollway Limited	Subsidiary Companies	0.03	0.03
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.03	0.02
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.03	0.03
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.03	0.03
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	0.04	0.04
		Ircon Akloli Shirsad Expressway Limited	Subsidiary Companies	0.03	0.00
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.03	0.00
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	0.03	0.00
		Ircon Haridwar Bypass Limited	Subsidiary Companies	0.03	0.00
		Ircon Renewable Power Limited	Subsidiary Companies	0.03	0.00
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.04	0.04
		Rail Land Development Authority	Government Related Entities	0.08	0.08



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
2	<b>Purchase of goods and services</b>	Ircon Infrastructure and Services Limited	Subsidiary Companies	6.85	2.61
3	<b>Reimbursement of Deputation Staff Expenses, Rent &amp; Other Misc. Expenses (Income)</b>	Ircon Infrastructure and Services Limited	Subsidiary Companies	3.73	3.33
		Ircon PB Tollway Limited	Subsidiary Companies	0.62	0.87
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.88	0.96
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.30	0.22
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.67	0.81
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	0.53	0.09
		Ircon Akkoli-Shirsad Expressway Limited	Subsidiary Companies	0.10	0.06
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.17	0.00
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	0.09	0.01
		Ircon Haridwar Bypass Limited	Subsidiary Companies	0.13	0.00
		Ircon Renewable Power Limited	Subsidiary Companies	0.05	1.11
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.30	0.11
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.94	0.93
		Mahanadi Coal Railway Limited	Joint Venture Companies	1.62	0.51
		Jharkhand Central Railway Limited	Joint Venture Companies	0.29	0.10
		Indian Railway stations Development Corporation Limited	Joint Venture Companies	0.30	0.23
4	<b>Interest Income</b>				
4.1	<b>Interest Income on loans</b>	Ircon PB Tollway Limited	Subsidiary Companies	18.73	15.44
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	-	37.72
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	3.68	2.09
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	4.19	13.53
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.90	0.79
4.2	<b>Interest Income on Advances</b>	Rail Land Development Authority	Government Related Entities	56.03	110.02
4.3	<b>Interest Income on Bonds</b>	Indian Railway Finance Corporation	Government Related Entities	14.57	15.14
4.4	<b>Dividend Income</b>	Ircon-Soma Tollway Private Limited	Joint Venture Companies	69.00	41.00
5	<b>Dividend / Profit on sale of investment</b>				
5.1	<b>Dividend distribution</b>	Ministry of Railways	Government Related Entities	168.62	244.34
5.2	<b>Profit on Sale of Investment Passed on</b>	Ministry of Railways	Government Related Entities	-	1.03

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
6	<b>Interest Expense</b>				
6.1	<b>Interest Expense on Advance</b>	Ircon Akkoli-Shirsad Expressway Limited	Subsidiary Companies	0.42	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	1.04	-
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	-	0.41
6.2	<b>Interest Expense Passed on</b>	Ministry of Railways	Government Related Entities	119.89	67.38
		Mahanadi Coal Railway Limited	Joint Venture Companies	0.07	0.03
6.3	<b>Interest Expense on Loan</b>	Indian Railway Finance Corporation	Government Related Entities	56.03	110.02
7	<b>Investment in Equity Shares</b>	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	3.95
		Ircon Akkoli-Shirsad Expressway Limited	Subsidiary Companies	-	0.05
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	-	0.05
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	-	0.05
		Ircon Haridwar Bypass Limited	Subsidiary Companies	-	0.05
		Ircon Renewable Power Limited	Subsidiary Companies	-	3.80
		Chhattisgarh East Railway Limited	Joint Venture Companies	-	55.28
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	36.82	26.00
		Mahanadi Coal Railway Limited	Joint Venture Companies	-	25.99
		Jharkhand Central Railway Limited	Joint Venture Companies	13.26	-
8	<b>Interest free loan / Deemed equity given</b>	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	26.56	43.41
		Ircon PB Tollway Limited	Subsidiary Companies	(0.17)	65.79
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	13.86
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	53.00	18.35
		Ircon Akoli Shirsad Expressway Limited	Subsidiary Companies	51.44	-
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.89	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	6.73	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	82.17	-
		Ircon Renewable Power Limited	Subsidiary Companies	36.60	1.40
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	-	15.60
		Mahanadi Coal Rail Limited	Joint Venture Companies	52.00	-
		Jharkhand Central Railway Limited	Joint Venture Companies	64.11	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
8.1	<b>Financial Guarantee Contract</b>	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	-	0.24
		Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	-	0.19
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	0.83
9	<b>Loans granted</b>	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	8.37	12.30
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	34.48	34.48
10	<b>Recovery of Loans</b>	Ircon PB Tollway Limited	Subsidiary Companies	31.00	45.00
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	-	526.00
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	-	589.50
11	<b>Recovery of Advances</b>	Rail Land Development Authority	Government Related Entities	615.31	615.30
12	<b>Repayment of Loans</b>	Indian Railway Finance Corporation	Government Related Entities	615.31	615.30
13	<b>Advances Received</b>	Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	-	13.94
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	14.06	-
		Ircon Akloli Shirsad Expressway Limited	Subsidiary Companies	50.00	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	24.78	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.03	1.36
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	104.15	5.00
		Mahanadi Coal Railway Limited	Joint Venture Companies	4.63	2.29
		Jharkhand Central Railway Limited	Joint Venture Companies	74.60	-
		Rail Land Development Authority	Government Related Entities	40.00	15.00
Ministry of Railways	Government Related Entities	6,634.84	5,042.37		
14	<b>Repayment of Advances</b>	Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	10.17	0.57
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	-	21.97
		Chhattisgarh East Railway Limited	Joint Venture Companies	22.47	15.52
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	31.82	9.79
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.41	-
		Jharkhand Central Railway Limited	Joint Venture Companies	54.80	-
		Ministry of Railways	Government Related Entities	6,318.21	3,909.24
15	<b>Post Employment Benefit Plans</b>				
15.1	<b>Contribution made during the year</b>	Ircon Gratuity Trust	Post Employment Benefit Plans	4.69	4.72

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
		Ircon Employees Contributory PF Trust	Post Employment Benefit Plans	41.29	42.76
		Ircon Medical Trust	Post Employment Benefit Plans	4.64	4.72
		Ircon Defined Contribution Superannuation Pension Scheme, 2009 Trust	Post Employment Benefit Plans	11.49	11.08

**Note:**

- (i) Refer Note 37 for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations.
- (ii) Purchases from Ministry of Railways are heterogeneous in nature, thus immaterial. Hence not disclosed.

**C) Outstanding balances with the related parties are as follows:**

(₹ in crore)

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022
1	<b>Equity Investments (Including Deemed Equity)</b>	Ircon Infrastructure and Services Limited	Subsidiary Companies	65.00	65.00
		Ircon PB Tollway Limited	Subsidiary Companies	230.62	230.79
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	150.19	150.19
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	187.69	187.69
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	205.98	179.42
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	71.40	18.40
		Ircon Akloli-Shirsad Expressway Limited	Subsidiary Companies	51.49	0.05
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.94	0.05
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	6.78	0.05
		Ircon Haridwar Bypass Limited	Subsidiary Companies	82.22	0.05
		Ircon Renewable Power Limited	Subsidiary Companies	41.80	5.20
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	64.15	64.15
		Chhattisgarh East Railway Limited	Joint Venture Companies	213.46	213.46
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	193.99	157.17
		Mahanadi Coal Railway Limited	Joint Venture Companies	78.00	26.00
		Jharkhand Central Railway Limited	Joint Venture Companies	140.37	63.00
		Bastar Railway Private Limited	Joint Venture Companies	76.34	76.34
Indian Railway stations Development Corporation Limited	Joint Venture Companies	52.00	52.00		
2	<b>Investment in Bonds</b>	Indian Railway Finance Corporation	Government Related Entities	155.19	205.18



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022		
3	<b>Amount Recoverable towards loans granted</b>	Ircon PB Tollway Limited	Subsidiary Companies	199.24	240.66		
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	47.13	38.76		
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	68.96	34.48		
4	<b>Amount recoverable other than loans</b>						
4.1	<b>Trade Receivables</b>	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.07	1.53		
		Ircon PB Tollway Limited	Subsidiary Companies	15.35	17.51		
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	31.87	6.37		
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	16.63		
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	32.48	92.65		
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	41.31	8.37		
		Ircon Akholi Shirsad Expressway Limited	Subsidiary Companies	43.12	-		
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	26.83	-		
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	21.76	-		
		Ircon Haridwar Bypass Limited	Subsidiary Companies	3.21	-		
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.05		
		Chhattisgarh East Railway Limited	Joint Venture Companies	13.74	19.92		
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	33.81	3.85		
		Mahanadi Coal Railway Limited	Joint Venture Companies	6.83	14.08		
		Jharkhand Central Railway Limited		0.00	-		
		Bastar Railway Private Limited	Joint Venture Companies	0.00	0.00		
		Ministry of Railways	Government Related Entities	166.59	77.14		
		4.2	<b>Contract Assets</b>				
				(a)	<b>Billable Revenue/ Receivable not due and CWIP at Realisable Value</b>	Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies
Ircon Davanagere Haveri Highway Limited	Subsidiary Companies					-	0.64
Ircon Haridwar Bypass Limited	Subsidiary Companies					13.23	-
Ircon Vadodara Kim Expressway Limited	Subsidiary Companies					17.31	-
Chhattisgarh East Railway Limited	Joint Venture Companies					36.67	31.59
Chhattisgarh East-West Railway Limited	Joint Venture Companies					18.26	37.30
Mahanadi Coal Railway Limited	Joint Venture Companies					0.97	1.29
Bastar Railway Private Limited	Joint Venture Companies					21.35	22.94
Jharkhand Central Railway Limited	Joint Venture Companies					-	7.52

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022
(b)	<b>Retention Money and Money Withheld</b>	Ministry of Railways	Government Related Entities	162.86	153.86
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	19.54	19.42
		Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	-	0.04
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	1.85	0.83
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	3.35	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	1.76	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.20	0.62
		Mahanadi Coal Railway Limited	Joint Venture Companies	12.33	3.84
		Jharkhand Central Railway Limited	Joint Venture Companies	1.56	-
		Ministry of Railways	Government Related Entities	3.18	0.86
4.3	<b>Advance and Claims Recoverable</b>	Ircon Infrastructure and Services Limited	Subsidiary Companies	4.10	3.07
		Ircon PB Tollway Limited	Subsidiary Companies	0.43	0.44
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.24	0.03
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.09	0.08
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.01	0.31
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	0.03	0.07
		Ircon Akholi-Shirsad Expressway Limited	Subsidiary Companies	0.03	0.05
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	0.07	0.02
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.07	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	0.07	-
		Ircon Renewable Power Limited	Subsidiary Companies	0.04	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.29	0.22
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.93	1.32
		Jharkhand Central Railway Limited	Joint Venture Companies	0.07	0.10
		Bastar Railway Private Limited	Joint Venture Companies	0.02	0.02
		Indian Railway stations Development Corporation Limited	Joint Venture Companies	0.09	1.03
		Ministry of Railways	Government Related Entities	-	10.96
		Rail Land Development Authority	Government Related Entities	634.95	1,270.26
		4.4	<b>Interest Accrued on loans</b>	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies
Chhattisgarh East-West Railway Limited	Joint Venture Companies			10.87	10.06

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022
4.5	Interest Accrued on advances	Rail Land Development Authority	Government Related Entities	59.65	109.77
4.6	Interest Accrued on bonds	Indian Railway Finance Corporation	Government Related Entities	10.63	19.86
4.7	Recoverable from Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	16.32	7.68
5	Borrowings	Indian Railway Finance Corporation	Government Related Entities	615.31	1,230.62
6	<b>Amount Payable towards</b>				
6.1	Trade Payables	Ircon Infrastructure and Services Limited	Subsidiary Companies	3.97	0.38
6.2	Contract Liabilities (Advances and Advance Contract Receipts)	Ministry of Railways	Government Related Entities	2,041.03	2,326.90
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	30.84	15.81
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	3.20	13.37
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	-	24.91
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	9.62	5.68
		Ircon Akloli Shirsad Expressway Limited	Subsidiary Companies	50.72	-
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.30	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	3.04	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	24.78	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	8.38	30.82
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	125.06	52.72
		Mahanadi Coal Railway Limited	Joint Venture Companies	-	2.29
		Jharkhand Central Railway Limited	Joint Venture Companies	19.80	-
6.3		Other Payable to Client	Chhattisgarh East Railway Limited	Joint Venture Companies	0.65
	Mahanadi Coal Rail Limited		Joint Venture Companies	9.44	4.94
	Ministry of Railways		Government Related Entities	571.76	901.38
6.4	Interest Payable on Borrowings	Indian Railway Finance Corporation	Government Related Entities	51.89	103.81
6.5	Interest Payable on Advances	Ircon Haridwar Bypass Limited	Subsidiary Companies	0.94	-
		Ircon Akloli-Shirsad Expressway Limited	Subsidiary Companies	0.38	-
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.29	-
		Jharkhand Central Railway Limited	Joint Venture Companies	0.12	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022
		Mahanadi Coal Railway Limited	Joint Venture Companies	0.42	0.35
		Ministry of Railways	Government Related Entities	280.36	287.20
6.6	Payable to Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	7.17	7.68

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

- Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- 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.
- The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

## 34. Interest in Subsidiaries, Joint Ventures and Joint Operations

### A Disclosures in compliance with Ind AS 27 "Separate Financial Statements" are as under:

Investment in following subsidiary companies, joint venture companies and joint operations is accounted at cost.

#### Investment in Subsidiary Companies

S. No.	Name of the Subsidiary Company	Principal Place of Business and Country of Incorporation	As at 31st March, 2023		As at 31st March, 2022	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
1	Ircon Infrastructure and Services Limited	India	100.00	100.00	100.00	100.00
2	Ircon PB Tollway Limited	India	100.00	100.00	100.00	100.00
3	Ircon ShivpuriGuna Tollway Limited	India	100.00	100.00	100.00	100.00
4	Ircon Davanagere Haveri Highway Limited	India	100.00	100.00	100.00	100.00
5	Ircon Vadodara Kim Expressway Limited	India	100.00	100.00	100.00	100.00
6	Ircon Gurgaon Rewari Highway Limited	India	100.00	100.00	100.00	100.00
7	Ircon Renewable Power Limited	India	76.00	76.00	76.00	76.00
8	Ircon Akloli-Shirsad Expressway Limited	India	100.00	100.00	100.00	100.00
9	Ircon Ludhiana Rupnagar Highway Limited	India	100.00	100.00	100.00	100.00
10	Ircon Haridwar Bypass Limited	India	100.00	100.00	100.00	100.00
11	Ircon Bhoj Morbe Expressway Limited	India	100.00	100.00	100.00	100.00



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### Investment in Joint Venture Companies

S. No.	Name of the Joint Venture Company	Principal Place of Business and Country of Incorporation	As at 31st March, 2023		As at 31st March, 2022	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
1	Ircon-Soma Tollway Private Limited	Maharashtra, India	50.00	50.00	50.00	50.00
2	Chhattisgarh East Railway Limited	Chhattisgarh, India	25.31	26.00	27.31	26.00
3	Chhattisgarh East-West Railway Limited	Chhattisgarh, India	26.00	26.00	26.00	26.00
4	Mahanadi Coal Railway Limited	Odisha, India	26.00	26.00	26.00	26.00
5	Jharkhand Central Railway Limited	Jharkhand, India	26.00	26.00	14.82	26.00
6	Bastar Railway Private Limited	Chhattisgarh, India	26.00	26.00	26.00	26.00
7	Indian Railway Stations Development Corporation Limited	Delhi NCR, India	26.00	26.00	26.00	26.00

#### Investment in Joint Operations

S. No.	Name of the Joint Operation	Principal Place of Business and Country of Incorporation	As at 31st March, 2023		As at 31st March, 2022	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
<b>i) For projects in operation:</b>						
	Express Freight Consortium	Gujarat and Maharashtra, India	30.00	30.00	30.00	30.00
	Express Freight Railway Consortium	Maharashtra, India	30.00	30.00	30.00	30.00
<b>ii) Completed Joint Operations</b>						
	International Metro Civil Contractor	Delhi NCR, India	9.50	9.50	9.50	9.50
	Metro Tunnelling Group	Delhi NCR, India	9.50	9.50	9.50	9.50
	IRCON-AFCONS	Bangladesh	53.00	53.00	53.00	53.00
<b>iii) Financially Closed Joint Operations</b>						
	Ircon-COBRA-ELIOP	Delhi NCR, India	61.22	61.22	61.22	61.22
	Ircon- Sree Bhawani Builders	Chennai, India	24.21	24.21	24.21	24.21
	Ircon-SMJ Project JV	Tamil Nadu, India	55.00	55.00	55.00	55.00
	Ircon-GANNON Dunkerly	Uttar Pradesh, India	55.70	55.70	55.70	55.70
	Ircon-RCS-PFLEIDERER	J&K, India	65.08	65.08	65.08	65.08
	IRCON-SPSCPL	J&K, India	50.00	50.00	50.00	50.00
	RICON	Delhi NCR, India	49.00	49.00	49.00	49.00

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### Interest in Subsidiaries, Joint Ventures and Joint Operations

#### B Financial Interest in Joint Operations (to the extent of Company's share)

(₹ in crore)

S. No.	Particulars	Name of the Joint Operation									
		IRCON-AFCONS		Express Freight Consortium		International Metro Civil Contractor		Metro Tunnelling Group		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>As at Year End:</b>											
1	<b>Assets</b>										
	PPE	-	-	-	-	-	-	-	-	-	-
	Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
	Other Assets	0.60	0.52	-	-	4.41	4.37	2.04	2.07	7.05	6.96
2	<b>Liabilities</b>										
	Provisions	-	-	-	-	0.02	0.01	0.11	0.18	0.13	0.19
	Other Liabilities	-	-	-	-	0.91	0.91	0.05	0.05	0.96	0.96
<b>For the year end:</b>											
3	Total Income	-	0.02	1.37	1.74	0.05	0.05	0.07	0.10	1.50	1.91
4	Total Expenses	0.11	0.19	0.45	0.78	0.00	0.01	0.01	0.01	0.57	0.99
5	Total Taxes	-	-	0.35	0.37	0.01	0.01	0.02	0.03	0.38	0.41
6	Profit after tax	(0.11)	(0.17)	0.58	0.59	0.04	0.03	0.04	0.06	0.54	0.51
7	Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
8	Total Comprehensive Income	(0.11)	(0.17)	0.58	0.59	0.04	0.03	0.04	0.06	0.54	0.51

**Note:** Contingent Liabilities relating to Joint Operations are disclosed in Note 37.

## 35. 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 ₹)

Particulars	Note	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit attributable to Equity holders (₹ in crore)	(ii)	776.83	544.32
Weighted average number of equity shares for Basic and Diluted EPS (In Numbers) *	(iii)	940,515,740	940,515,740
Earnings per share (Basic)		8.26	5.79
Earnings per share (Diluted)		8.26	5.79
Face value per share		2.00	2.00

\* The Board of Directors of IRCON in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of ₹2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Company is ₹188,10,31,480 divided into 94,05,15,740 equity shares of ₹2/- each.

#### (ii) Profit attributable to equity shareholders (used as numerator) (₹ in crore)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year as per Statement of Profit and Loss	776.83	544.32
Profit attributable to Equity holders of the company used for computing EPS:	776.83	544.32

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening balance of issued equity shares	940,515,740	470,257,870
Equity shares issued during the year	-	-
Increase in the Number of Share on account of Shares Split	-	-
Bonus share issued	-	470,257,870
<b>Weighted average number of equity shares for computing Basic EPS</b>	<b>940,515,740</b>	<b>940,515,740</b>
<b>Dilution Effect:</b>		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
<b>Weighted average number of equity shares for computing Diluted EPS</b>	<b>940,515,740</b>	<b>940,515,740</b>

## 36. Impairment of Assets

During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil (Nil) has been provided for."

## 37. 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 19.

### (ii) Contingent Liabilities

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

(₹ in crore)

Particulars	Foot Note	As at 31st March 2022	Addition during the year	Claims settled / Paid during the year	As at 31st March 2023
<b>a) Claims against the Company not acknowledged as debts :</b>					
Disputed Direct tax demands					
(i) in respect of the Company	1	199.03	24.44	(183.54)	39.93
Disputed Indirect tax demands					
(i) in respect of the Company	2	263.66	27.47	(49.97)	241.16
(ii) in respect of the Joint Operations	3	3.33	-	-	3.33
Legal Cases					
(i) in respect of the Company	4	537.31	173.31	(86.12)	624.50
(ii) in respect of the Joint Operations	5	0.02	-	-	0.02
Claims by Employees	6	-	-	-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Particulars	Foot Note	As at 31st March 2022	Addition during the year	Claims settled / Paid during the year	As at 31st March 2023
<b>b) Guarantees (excluding financial guarantees) issued by the company on behalf of</b>					
Subsidiaries Companies	7 (i) (ii)	1,067.41	668.32	(260.13)	1,475.60
<b>c) Other money for which company is contingent liable</b>					
Liquidated damages pending disposal of application for extension of time by clients		9.27	-	-	9.27
<b>Total</b>		<b>2,080.03</b>	<b>893.54</b>	<b>(579.76)</b>	<b>2,393.81</b>

### Foot Note:

- The Income Tax Authority have raised demands on account of various disallowances pertaining to different assessment years. Many of these matters were adjudicated in favour of Company but are disputed before higher authorities by the concerned departments. The Company is contesting these demands, which are pending at various appellate levels. Based on the advice from the independent tax experts and the developments on the appeals, the management is confident that additional tax so demanded will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial statements.
- There are various disputes pending with authorities of excise, customs, service tax, sales tax, VAT etc. The Company is contesting these demands raised by concerned authorities and are pending at various appellate authorities. Based on the grounds of appeal and advice of the independent legal experts, the management believes that there is reasonable strong likelihood of succeeding before the various authorities. Pending the final decisions on the above, no adjustment has been made in these financial statements. The above disputed indirect tax demands includes ₹195.82 crore which is reimbursable from clients.
- 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 ₹3.33 crore (₹ 3.33 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.
- The Company is a party to several legal suits on construction contract terms related disputes, pending before various courts and arbitration proceedings in India and abroad. Some of the contractors have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts. Against a total claim of ₹701.86 crore (₹ 638.79 crore), provision of ₹77.35 crore (₹ 101.48 crore) has been made and balance ₹624.51 crore (₹ 537.31 crore) is shown as contingent liability. The Company has also made counter claims on the contractors admissible as per the terms of the contract of ₹333.31 crore (₹ 238.82 crore). Interest on claims is not considered, being unascertainable.
- One of the contractor, M/s Sai Engineers has filed suit against International Metro Civil Contractor for an amount of ₹0.02 crore (₹ 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.
- There are some cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable.
- (i) The Company has given letter of comfort on behalf of its subsidiary company, Ircon Infrastructure and Services Limited for an amount of ₹11.39 crore (₹ 11.39 crore) for performance guarantee submitted to client.  
(ii) The Company has given corporate guarantee to various Banks on behalf of and in respect of term loan facility for its subsidiary companies for an amount of ₹4,565.99 crore (₹ 1,534.80 crore). The term loan availed (net of repayment) by the subsidiary companies as on 31.03.2023 is ₹1,464.21 crore (₹ 1,056.02 crore).

### (iii) Contingent Assets

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

- a) Claims raised by company on some of its clients and awarded by arbitrators in favour of company against which clients have gone to court not accounted for as receivables are **₹461.17 crore** (₹ 425.76 crore) including interest calculated up to 31.03.2023 as per arbitration award.
- b) Counter Claims raised by company on sub-contractors and awarded by arbitrators in favour of company against which sub-contractors have gone to court, not accounted for as receivables are **₹22.48 crore** (₹ 25.42 crore).
- c) Insurance Claim of **USD 0.93 Mn** (USD 0.91 Mn) and Ethiopian Birr 1.28 Mn (Birr 1.22 Mn) equivalent to **₹7.79 crore** (₹ 7.05 crore) including interest calculated upto 31.03.2023 awarded by Honourable Supreme Court of Ethiopia in favour of company has not been accounted for, pending execution order by High Court of Ethiopia.

#### (iv) Commitments

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
<b>a) Capital Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	16.19	16.37
<b>b) Other Commitments</b>			
(i) Funding committed by way of equity and loans in Subsidiary Companies	2	640.85	837.95
(ii) Funding committed by way of equity and loans in Joint Venture Companies	3	177.60	75.42
(iii) Counter Bank Guarantee for Subsidiary Companies	4	291.58	258.28
(iv) Corporate Guarantee for Subsidiary Companies	5	2807.17	444.30
(v) Sponsor's Support Agreement on behalf of Joint Venture	6 (i) (ii)	1361.36	1,033.76
(vi) Loan commitment for Subsidiary Companies	7	500.00	500.00
<b>Total</b>		<b>5,794.75</b>	<b>3,166.08</b>

#### Foot Note:

(₹ in crore)

S.No	Capital Commitments	As at 31st March 2023	As at 31st March 2022
1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipments	1.72	-
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	14.47	16.37
	<b>Total</b>	<b>16.19</b>	<b>16.37</b>

(₹ in crore)

S. No	Name of the Subsidiary	As at 31st March 2023		As at 31st March 2022	
		Equity	Loans	Equity	Loans
1	Ircon PB Tollway Limited	-	-	-	-
2	Ircon ShivpuriGuna Tollway Limited	-	-	-	-
3	Ircon Davanagere Haveri Highway Limited	44.05	4.33	44.05	12.70
4	Ircon Vadodara Kim Expressway Limited	-	-	-	26.56
5	Ircon Gurgaon Rewari Highway Limited	-	31.83	-	84.83

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

S. No	Name of the Subsidiary	As at 31st March 2023		As at 31st March 2022	
		Equity	Loans	Equity	Loans
6	Ircon Akoli-Shirsad Expressway Limited *	17.11	102.99	-	144.39
7	Ircon Ludhiana Rupnagar Highway Limited *	14.22	127.54	-	129.62
8	Ircon Bhoj Morbe Expressway Limited *	20.53	178.54	-	183.02
9	Ircon Haridwar Bypass Limited	-	29.68	-	106.15
10	Ircon Renewable Power Limited	-	70.03	-	106.63
	<b>Total</b>	<b>95.91</b>	<b>544.94</b>	<b>44.05</b>	<b>793.90</b>

\* The Company's Board of Directors (BoD) has approved a resolution on 6th April, 2023 to modify the capital structure of three Subsidiary Companies. The modification involved changing the nature of the equity commitment from interest-free loan to purely equity share capital. Accordingly, the changes in the commitment has been disclosed.

S.No	Name of the Joint Venture Company	As at 31st March 2023		As at 31st March 2022	
		Equity	Loans	Equity	Loans
1	Chhattisgarh East Railway Limited *	-	33.14	-	-
2	Chhattisgarh East-West Railway Limited *	0.01	64.48	36.83	-
3	Ircon Soma Tollway Pvt Ltd	-	-	-	-
4	Mahanadi Coal Railway Limited *	-	54.63	-	-
5	Bastar Railway Private Limited	0.01	25.33	-	25.33
6	Jharkhand Central Railway Limited	-	-	13.26	-
	<b>Total</b>	<b>0.02</b>	<b>177.58</b>	<b>50.09</b>	<b>25.33</b>

\* The Company's Board of Directors (BoD) has approved a resolution on 11th May, 2023 to increase the loan commitment in three Joint Venture Companies. Accordingly, the changes in the commitment has been disclosed.

4. Company's Non Fund based limits earmarked for issuance of bank guarantee to subsidiary companies amounts to **₹738.61 crore** (₹ 488.61 crore). Out of the said limit, bank guarantees to the extent of **₹447.03 crore** (₹ 230.33 crore) has been utilised as on 31.03.2023. Therefore, the balance limit for issuance of bank guarantee is **₹291.58 crore** (₹ 258.28 crore).

5. The Company has given corporate guarantee to various Banks on behalf of and in respect of term loan facility for its subsidiary companies for an amount of **₹4,565.99 crore** (₹ 1534.80 crore). The subsidiary companies have availed term loan of ₹1758.82 crore (₹ 1090.50 crore) till 31.03.2023. During the year, the subsidiary companies have repaid an amount of **₹294.61 crore** (₹ 34.48 crore) against these term loans and the term loan balance as on 31.03.2023 is **₹1,464.21 crore** (₹ 1056.02 crore).

6. (i) The Company along with SECL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East West Railway Ltd.(CEWRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is **₹1,033.76** (26% of total loan of ₹3976 Crore) as on 31st March 2023 (31st March, 2022: ₹1033.76 Crore).

(ii) The Company along with CCL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Jharkhand Central Railway Ltd. (JCRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is **₹327.60** (26% of total loan of ₹1259.75 crore) as on 31st March 2023.

7. The Company has committed to grant loan (Unsecured interest free/ Unsecured interest-bearing) upto an aggregate amount of ₹500 crore at any time to Special Purpose Vehicles (SPVs) formed as wholly owned subsidiary (WOS) companies in India for executing road/ highway project of NHAI, in addition to limits already approved BoD.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 38. 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 statement

(₹ in crore)

Particulars	International		Domestic		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Segment Revenue</b>						
Revenue from external customers	411.84	480.43	9,509.36	6,429.72	9,921.20	6,910.15
<b>Total Operating Revenue</b>	<b>411.84</b>	<b>480.43</b>	<b>9,509.36</b>	<b>6,429.72</b>	<b>9,921.20</b>	<b>6,910.15</b>
Interest income	11.81	1.88	237.34	207.58	249.15	209.46
Other Income	6.01	9.64	85.27	51.75	91.28	61.39
Inter - segment	-	-	-	-	-	-
<b>Total Revenue</b>	<b>429.66</b>	<b>491.95</b>	<b>9,831.97</b>	<b>6,689.05</b>	<b>10,261.63</b>	<b>7,181.00</b>
<b>Segment Result</b>						
Profit before provision, depreciation, interest and exceptional item and tax	94.32	68.49	889.14	594.32	983.46	662.81
Less: Provisions and write back	8.41	(14.75)	(69.45)	(10.07)	(61.04)	(24.82)
Less: Depreciation, amortization and impairment	(2.32)	(2.71)	(35.41)	(24.78)	(37.73)	(27.49)
Less: Interest	-	-	(1.50)	(0.45)	(1.50)	(0.45)
<b>Profit before tax</b>	<b>100.41</b>	<b>51.03</b>	<b>782.78</b>	<b>559.02</b>	<b>883.19</b>	<b>610.05</b>
Less: Tax expense	(26.57)	(23.31)	(79.79)	(42.42)	(106.36)	(65.73)
<b>Profit after tax</b>	<b>73.84</b>	<b>27.72</b>	<b>702.99</b>	<b>516.60</b>	<b>776.83</b>	<b>544.32</b>

#### C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Total Assets	913.71	731.12	12,762.70	11,996.36	13,676.41	12,727.48
Total Liabilities	729.76	627.13	7,768.17	7,479.39	8,497.93	8,106.52
Investment in joint ventures accounted for by equity method	-	-	-	-	-	-
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	55.45	22.88	782.53	765.26	837.98	788.14

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Particulars	International		Domestic		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.23	0.06	25.34	5.22	25.57	5.28

#### D. Information about major customer

During the year ended March 31, 2023, Operating Revenue of approximately **69.46 %** ( 65.70 %) derived from a single external customer in Domestic Segment.

### 39. Revenue

#### 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:

(₹ in crore)

Type of Product or Services	For the year ended 31st March 2023						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic	International	Total	Input Method	Output Method		
Railways	8,900.72	406.91	<b>9,307.63</b>	9,307.63	-	5.84	<b>9,313.47</b>
Highway	583.23	-	<b>583.23</b>	583.23	-	-	<b>583.23</b>
Electrical	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	4.01	-	<b>4.01</b>	4.01	-	20.49	<b>24.50</b>
<b>Total</b>	<b>9,487.96</b>	<b>406.91</b>	<b>9,894.87</b>	<b>9,894.87</b>	-	<b>26.33</b>	<b>9,921.20</b>

Out of the total revenue recognised under Ind AS 115 during the year, **₹9,894.87** crore is recognised over a period of time and Nil recognised point in time.

(₹ in crore)

Type of Product or Services	For the year ended 31st March 2022						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic	International	Total	Input Method	Output Method		
Railways	5,909.63	468.26	<b>6,377.89</b>	6,377.89	-	9.83	<b>6,387.72</b>
Highway	494.85	-	<b>494.85</b>	494.85	-	2.07	<b>496.92</b>
Electrical	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	0.68	-	<b>0.68</b>	0.68	-	24.83	<b>25.51</b>
<b>Total</b>	<b>6,405.16</b>	<b>468.26</b>	<b>6,873.42</b>	<b>6,873.42</b>	-	<b>36.73</b>	<b>6,910.15</b>

Out of the total revenue recognised under Ind AS 115 during the year, **₹6,873.42** crore is recognised over a period of time and Nil recognised point in time.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### B. Contract balances

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables (Note 12.2)	868.73	709.16
Contract Assets (Note 8.3 and 12.6)	1,250.49	918.04
Contract Liabilities (Note 20 and 22)	3,531.78	3,433.18

- (i) Trade receivables are non-interest bearing and the customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. 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.
- (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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract asset at the Beginning of the year	918.04	783.26
Contract asset at the end of the year	1,250.49	918.04
<b>Net increase/(decrease)</b>	<b>332.45</b>	<b>134.78</b>

For the year 2022 – 23 and 2021–22 – There has been a net increase of ₹332.45 crore and ₹134.78 crore respectively as compared to previous year mainly due to recognition of Revenue based on input method whereas bills for work done are certified based on contract condition.

During the year ended March 31st, 2023, ₹807.48 crore and March 31st 2022, ₹272.11 crore of contract assets as of April 1st, 2022 and April 1st 2021 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract liabilities at the beginning of the year	3,433.18	2,303.58
Contract liabilities at the end of the year	3,531.78	3,433.18
<b>Net increase/(decrease)</b>	<b>98.60</b>	<b>1,129.60</b>

For the year 2022–23 and 2021–22 – There has been a net increase of ₹98.60 crore and ₹1,129.60 crore respectively as compared to previous year mainly due to advance received from the client.

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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amount included in contract liabilities at the beginning of the year	2,021.21	1,444.80
Performance obligation satisfied in previous years	-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### D. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2023 is Nil (As at 31st March, 2022: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (FY 2021–22: Nil)

### E. Performance obligation

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

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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Within one year	9,800	7,200
More than one year to 2 years	10,200	7,500
More than 2 years	15,195	29,058
<b>Total</b>	<b>35,195</b>	<b>43,758</b>

## 40. Leases

### a) Company as a Lessee

The Company as a lessee has entered into various lease contracts, which includes lease of land, office space, guest house and vehicles.

The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

### Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 7.

### Lease Liabilities

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

(₹ in crore)

	As at 31st March, 2023
<b>Opening Balance at April 1, 2022</b>	0.16
Addition in lease liability	0.34
Accreditation of interest	0.02
Payments	(0.01)
<b>Balance at March 31, 2023</b>	<b>0.51</b>
<b>Current</b>	<b>0.09</b>
<b>Non-current</b>	<b>0.42</b>

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

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Depreciation expense of right-of-use assets (Refer Note 29)	0.38	0.37
Interest expense on lease liabilities (Refer Note 28)	0.02	0.01
Expense relating to short-term leases (Refer Note 26 (iii))	5.40	4.60
<b>Total</b>	<b>5.80</b>	<b>4.98</b>

The Company has several lease contracts that include extension and termination options. These options are negotiated by management and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Following are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	-	-

### b) Company as a Lessor

- (i) The Company has given buildings under operating lease. Lease income (rental and service charges) aggregating ₹14.18 crore (₹ 9.10 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.
- (ii) The Company has given Machinery under operating lease. Lease income aggregating ₹4.55 crore (₹ 13.54 crore) has been recognized in the Statement of Profit and Loss as per lease arrangement.

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

(₹ in crore)

	As at 31st March 2023
Within one year	1.65
After one year but not more than five years	35.57
More than five years	30.06
	<b>67.29</b>

### 41. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

'In compliance of Regulation 34(3) of SEBI (LODR) Regulation, 2015, the required information are given as under:

	Name of the Company	Outstanding balance		Maximum amount outstanding during the year ended	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>A</b>	<b>Loans and advances in the nature of loans:</b>				
	<b>To Subsidiary Companies</b>				
	Ircon PB Tollway Limited	199.24	240.66	260.00	336.00
	Ircon ShivpuriGuna Tollway Limited	-	-	-	526.00
	Ircon Davanagere Haveri Highway Limited	47.13	38.76	47.13	38.76
	Ircon Vadodara Kim Expressway Limited	68.96	34.48	69.71	589.50
	<b>To Joint Venture Companies</b>				
	Chhattisgarh East-West Railway Limited	-	-	-	-
<b>B</b>	<b>Investment by the loanee (as detailed above) in the shares of the Company and its subsidiaries</b>	-	-	-	-

#### Foot Note:

1. There are no transactions of loans and advances to subsidiaries/joint ventures/associates/firms/others in which Directors are interested other than as disclosed above.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 42. Disclosure pursuant to section 186 of The Companies Act 2013:

S. No.	Nature of the transaction (loans given/ investments made/guarantees given)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	As at 31st March, 2023	As at 31st March, 2022
<b>(A)</b>	<b>Loans and Advances</b>			
	<b>Subsidiary Company</b>			
	Ircon PB Tollway Limited	Project funding	199.24	240.66
	Ircon Vadodara Kim Expressway Limited	Project funding	68.96	34.48
	Ircon Davanagere Haveri Highway Limited	Project funding	47.13	38.76
	<b>Total</b>		<b>315.33</b>	<b>313.90</b>
<b>(B)</b>	<b>Guarantees</b>			<b>Refer Note 37</b>
<b>(C)</b>	<b>Investments in fully paid equity shares and deemed equity</b>			<b>Refer Note 8.1</b>

### 43. Details of delayed payments to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

(₹ in crore)

S. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
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	1.32	-
	Interest due on above	0.10	-
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	-	-

### 44. 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:



## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gross amount required to be spent by the Company during the year	10.10	10.50
Amount approved by the Board to be spent during the year	10.10	10.50

### b) Amount spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31st March 2023			For the year ended 31st March 2022		
	Paid in Cash	Yet to be Paid	Total	Paid in Cash	Yet to be Paid	Total
On Construction/acquisition of any asset*	1.99	-	1.99	0.71	-	0.71
On purposes other than above	8.13	-	8.13	9.81	-	9.81
<b>Total</b>	<b>10.12</b>	<b>-</b>	<b>10.12</b>	<b>10.52</b>	<b>-</b>	<b>10.52</b>

\*Assets purchased and handed over to respective organisation and are not being held by the Company.

### c) Break-up of the CSR expenses under major heads is as under:

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Contribution to Prime Minister CARES Fund for fighting against COVID-19	1.53	8.26
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	4.54	0.87
Promoting Education, including special education and employment enhancing vocation skills especially among children.	2.35	0.32
Ensuring environmental sustainability	0.53	0.19
Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	-	-
Sports	-	0.38
Others (including Other Admin Cost)	1.17	0.50
<b>Total</b>	<b>10.12</b>	<b>10.52</b>

### d) Details related to unspent obligations:

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Unspent amount in relation to:		
- Ongoing project (#) *	-	-
- Other than ongoing project (##)	-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### # Ongoing Project:

(₹ in crore)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

\* There is no shortfall in amount to be spent on CSR for the current year as well as in the previous year. However, there is an amount of ₹0.17 crore (₹ 0.18 crore) has been earmarked for specific ongoing project of CSR, which will be utilised in the future.

### ## Other than ongoing project:

(₹ in crore)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

### e) Details related to spent / unspent obligations:

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance	-	-
Gross amount required to be spent by the Company during the year (as per (a) above)	10.10	10.50
Amount spent by the Company during the year (as per (b) above)*	10.12	10.52
<b>Shortfall/(Excess) amount spent by the company</b>	<b>(0.02)</b>	<b>(0.02)</b>

\* There are no related party transaction in respect to CSR expenditure.

### e) Other disclosure:

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (1)	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

## 45. Covid -19 Disclosure

The Company has considered the possible effects that may result from Covid-19 in the preparation of its financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of Covid-19, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The actual impact of this global health pandemic may be different from that which has been estimated, as the Covid-19 situation evolves in India and globally. However, the Company will continue to closely monitor any material changes to future economic conditions.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 46. Other Regulatory Disclosure

#### a) Disclosure of ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for change more than 25%
Current ratio (In times)	Current Assets	Current Liabilities	1.49	1.40	5.96%	
Debt-equity ratio (In times)	Total Debt	Shareholder's Equity	0.00	0.00	184.43%	Refer Comment (i)
Debt service coverage ratio (In times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.32	0.93	42.36%	Refer Comment (ii)
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	15.85%	12.06%	31.47%	Refer Comment (ii)
Inventory turnover ratio (In times)	Cost of goods sold	Average Inventory	37.73	32.01	17.86%	
Trade receivables turnover ratio (In times)	Net credit sales = Gross credit sales – sales return	Average Trade Receivable	12.58	11.39	10.45%	
Trade payable turnover ratio (In times)	Net credit purchases = Gross credit purchases – purchase return	Average Trade Payables	9.43	6.74	39.93%	Refer Comment (iii)
Net capital turnover ratio (In times)	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	2.93	2.45	19.78%	
Net profit ratio	Net Profit	Net sales = Total sales – sales return	7.57%	7.58%	-0.13%	
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	15.06%	11.82%	27.49%	Refer Comment (i)
Return on investment	Interest (Finance Income)	Investment	8.04%	5.01%	60.43%	Refer Comment (iv) & (v)

#### Comments:-

- The ratio is not applicable due to offsetting of loan from Indian Railway Finance Corporation with amount recoverable from Rail Land Development Authority. Only minor impact of lease liability considered.
- The movement is primarily on account of incremental income generated via Contract Revenue and dividend from JVs. etc.
- The improvement in the ratio is due to timely payments to its creditors.
- The movement is on account of increase in dividend income from JVs.
- Investment in Bonds, Mutual funds and Joints Ventures has been considered for Ratio calculation.
- The Company do not have any transactions with companies struck off in current year and previous year.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in current year and previous year.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

- The Company have not traded or invested in crypto currency or virtual currency during the current year and previous year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall in current year and previous year:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall in current year and previous year:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) in current year and previous year.
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property in current year and previous year.
- The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority in current year and previous year.
- The Company has complied with the number of layers prescribed under the Companies Act, 2013 in current year and previous year.

### 47. Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

During the year, the Company has revised its accounting policy of "Property, Plant, and Equipment" for better disclosure. The changes made to the policy are highlighted in bold and do not have any impact on the Company's profitability.

#### Property, Plant and Equipment

Depreciation on Property, Plant and Equipment, excluding freehold land and leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013. **However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts.**

### 48. Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time on March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 as below:

Ind AS1- Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Error – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that, it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for



## NOTES TO STANDALONE FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

### 49. Other disclosures

- a) (i) The company has been claiming deduction under section 80 IA from AY 2000-01 to AY 2019-20. The deduction under section 80 IA has been allowed by Income Tax appellate Tribunal (ITAT) upto AY 2016-17. However, Income Tax Department has filled appeal before High Court against order of ITAT for the AY 2000-01. Upto AY 2019-20 company was offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign countries are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals. This issue has been allowed in favour of Ircon by ITAT upto AY 2016-17.
- (ii) The provision for income tax w.r.t earlier years has been written back / income tax expenses has been reversed amounting to. **₹78.53 crores** (₹ 92.53 crores) account of favourable orders received from Income tax authorities.
- b) There are certain other matters pending in litigations against the Company before various courts and appellate authorities on account of claims by some contractors in cost plus projects. In such cases, the Company envisages reimbursement from the Clients in full as per the terms of contract and expects no economic outflow of resources. In this respect, a total claim of **₹1,984.19 crore** (₹ 1,432.67 crore) is under litigation, for which provision of **₹6.59 crore** (₹ 3.93 crore) has been made and reimbursed by the client. The Company has also made counter claims on the contractors of **₹340.09 crore** (₹ 615.65 crore). Interest on claims is not considered, being unascertainable.
- c) Hon'ble High Court has permitted to release an arbitration award, amounting to **₹97.96 Crore** against NHAI for UP-05 ,Orai Highway Project against submission of bank guarantee of equivalent amount. The company has provided liability of equivalent amount till final decision of the Court.
- d) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. However, management does not expect to have any material financial impact of such pending confirmations / reconciliations.
- e) Certain reclassifications and recasting 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.
- f) Previous year figures are shown under bracket () to differentiate from current year figures.
- g) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

#### As per our Report of even date attached

##### For HDSG & Associates

Chartered Accountants  
FRN : 002871N

Sd/-

##### Harbir Singh Gulati

Partner

M. No. 084072

#### For and on behalf of Board of Directors

Sd/-

##### Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

##### B. Mugunthan

Chief Financial Officer

Sd/-

##### Brijesh Kumar Gupta

Chairman & Managing Director

and CEO

DIN-10092756

Sd/-

##### Ritu Arora

Company Secretary

FCS No. 5270

## 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 INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Ircon International Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Ircon International Limited for the year ended 31 March 2023 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

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

Sd/-

Dr. Nilotpal Goswami  
Director General of Audit  
Railway Commercial, New Delhi

Place: New Delhi

Dated: 09.08.2023





## FORM AOC – 1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2023  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Part A "Subsidiaries"

(₹ in crore)

Sr. No.	Name of the Subsidiary	Ircon Shivpuri Guna Tollway Limited (ISGTL)	Ircon PB Tollway Limited (IPBTL)	Ircon Davanagere Haveri Highway Limited (IDHHL)	Ircon Infrastructure & Services Limited (IISL)	Ircon Vadodara Kim Expressway Limited (IVKEL)	Ircon Gurgaon Rewari Highway Limited (IGRHL)
1	Reporting period for the Subsidiary	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
2	Reporting Currency	₹	₹	₹	₹	₹	₹
3	Share Capital(Including share application money pending allotment)	150.00	165.00	173.00	65.00	10.00	0.05
4	Other equity/Reserves & surplus (as applicable)	(102.64)	(12.94)	50.29	105.26	278.20	75.02
5	Liabilities	598.09	319.88	394.68	206.21	763.49	83.88
6	Total Equity and Liability	645.45	471.94	617.97	376.47	1,051.70	158.95
7	Total Assets	645.45	471.94	617.97	376.47	1,051.70	158.95
8	Investments	-	-	-	-	-	-
9	Turnover	177.51	54.49	76.58	222.85	279.00	158.08
10	Profit before taxation	(14.34)	(17.17)	34.71	7.13	29.39	4.91
11	Provision for taxation	-	-	8.34	1.80	7.65	1.24
12	Profit after taxation	(14.34)	(17.17)	26.37	5.33	21.74	3.67
13	Interim Dividend – Equity	-	-	-	-	-	-
14	Interim Dividend – Preference	-	-	-	-	-	-
15	Proposed Dividend – Equity	-	-	-	-	-	-
16	Proposed Dividend – Preference	-	-	-	-	-	-
17	% of share holding	100%	100%	100%	100%	100%	100%

As per our Report of even date attached

For and on behalf of Board of Directors

**For HDSG & Associates**  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Place : New Delhi  
Date : 24th May, 2023

## FORM AOC – 1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2023  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Part A "Subsidiaries"

(₹ in crore)

Sr. No.	Name of the Subsidiary	Ircon Renewable Power Limited (IRPL)	Ircon Akoli Shirsad Expressway Limited (ASEL)	Ircon Ludhiana Rupnagar Highway Limited (ILRHL)	"Ircon Bhoj Morbe Expressway Limited (IBEL)	"Ircon Haridwar Bypass Limited (IHBL)
1	Reporting period for the Subsidiary	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
2	Reporting Currency	₹	₹	₹	₹	₹
3	Share Capital(Including share application money pending allotment)	3.80	0.05	0.05	0.05	0.05
4	Other equity/Reserves & surplus (as applicable)	49.71	51.75	0.89	6.72	82.94
5	Liabilities	2.61	75.93	27.85	24.59	4.63
6	Total Equity and Liability	56.12	127.73	28.79	31.36	87.62
7	Total Assets	56.12	127.73	28.79	31.36	87.62
8	Investments	-	-	-	-	-
9	Turnover	0.12	65.85	24.22	26.61	53.08
10	Profit before taxation	0.03	0.42	-	-	1.03
11	Provision for taxation	(0.03)	0.11	-	-	0.26
12	Profit after taxation	-	0.31	-	-	0.77
13	Interim Dividend – Equity	-	-	-	-	-
14	Interim Dividend – Preference	-	-	-	-	-
15	Proposed Dividend – Equity	-	-	-	-	-
16	Proposed Dividend – Preference	-	-	-	-	-
17	% of share holding	76%	100%	100%	100%	100%

As per our Report of even date attached

For and on behalf of Board of Directors

**For HDSG & Associates**  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Place : New Delhi  
Date : 24th May, 2023

## Part "B": Joint Ventures

(₹ in crore)

Sr. No.	Name of Joint Ventures	Bastar Railway Private Limited	Chattisgarh East Railway Limited	Chattisgarh East West Railway Limited	Ircon – Soma Tollway Private Limited	Jharkhand Central Railway Limited	Mahanadi Coal Railway Limited	Indian Railway Stations Development Corporation Ltd
1	Latest audited Balance Sheet Date	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
2	Shares of Joint Venture held by the company on the year end %	26.00%	26.00%	26.00%	50%	26.00%	26%	26%
	Number of shares held	76,337,300	197,855,700	193,991,200	63,870,000	26,256,438	26,000,000	51,999,700
	Amount of Investment in Joint Venture (Note 2 Below)(in ₹)	763,373,000	1,978,557,000	1,939,912,000	638,700,000	762,564,380	260,000,000	519,997,000
	Total No of Shares	293,605,000	781,578,074	721,513,000	127,740,000	100,986,300	90,005,000	199,999,400
	Extent of Holding (%)	26.00%	25.31%	26.89%	50%	26.00%	28.89%	26.00%
3	Description of how there is significant influence	Refer Note1 (Below)						
4	Reason why the Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5	Net worth attributable to shareholding as per latest audited balance sheet (₹ in Crore)	76.12	190.13	187.21	81.24	141.72	23.05	79.12
6	Profit/ (loss) for the year (₹ in Crore)	(0.93)	(118.59)	(0.24)	119.66	5.40	(0.43)	3.38
	(i) Considered in consolidation (₹ in Crore)	(0.24)	(30.02)	(0.06)	59.83	1.18	(0.11)	0.88
	(ii) Not considered in consolidation (₹ in Crore)	(0.69)	(88.57)	(0.17)	59.83	4.22	(0.32)	2.50

### Notes

- Significant influence is demonstrated by holding 20% or more of the voting power of the investee.
- Amount of Investment in Joint Venture

### As per our Report of even date attached

**For HDSG & Associates**  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Place : New Delhi  
Date : 24th May, 2023

### For and on behalf of Board of Directors

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of IRCON INTERNATIONAL LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2023. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate office level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements 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 Responsibility for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together

with the Independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statement.

#### Emphasis of Matter

We draw attention to the following notes on the Consolidated Ind AS Financial Statements being matters pertaining to Ircon International Limited requiring emphasis by us.

- Refer Note No. 47 of the Consolidated Financial Statements regarding certain modifications in the existing Significant Accounting Policy relating to Property, plant and equipment. As explained by the management, there is no financial impact due to such aforesaid modifications on the Company's profitability.
- Refer foot note no. (i) of Note No 9 of the Consolidated Financial Statements wherein it is mentioned that the Financials Statements of one of the Jointly controlled entities, Indian Railway Stations Development Corporation Limited (IRSDC) have been prepared on liquidation basis and that the Company does not foresee any impairment in the value of investments held by the Company in IRSDC.

Our opinion is not modified in respect of the above matter

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) On 'Using the work of Another Auditor' including materiality, below key Audit Matters have been reproduced from the independence Auditors reports on the audit of Standalone Ind AS financial statements of the holding company.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

Key Audit Matter	How our audit addressed the matter
<p><b>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>For details refer Note No. 43 to the Consolidates Ind AS Financial Statements.</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>Evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy</p> <p>Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> <li>• Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations.</li> <li>• Checked whether the performance obligation is being satisfied over the period of time or at a point in time.</li> </ul> <p>Performed analytical procedures for reasonableness of revenues disclosed</p>

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

Key Audit Matter	How our audit addressed the matter
<p><b>Contingent Liabilities</b></p> <p>Contingent Liabilities There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases. (Refer Note No. 40 of the Consolidates Financial Statements, read with the Accounting Policy No. 2.2.16).</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status and material developments of legal matters.</li> <li>• Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>
<p><b>System Environment and internal Controls</b></p> <p>The Company is having SAP system in place and only FI-CO &amp; Payroll module is Implemented and other system like inventory, MM Module etc is under the process of implementation Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p> <p>The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>Our audit planning &amp; procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process.</li> <li>• Testing the design of the key IT controls relating to financial reporting systems of the company.</li> <li>• We also tested the company's controls around system interfaces, and the transfer of data from one system to another.</li> <li>• We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.</li> </ul>

**Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether

the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated change in equity and consolidated cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with companies (Indian Accounting Standard) Rules, 2015, as amended from time to time.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group and of its jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 financial controls 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 Parent, subsidiary company and its jointly controlled entities which are Companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind AS financial statements of such entities included in the consolidated Ind AS financial statements.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statement 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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

### Other Matters

- We did not audit the financial statements / financial information of three (3) foreign branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect total assets of ₹515.86 Crores

(Previous year ₹577.99 Crores) as at 31st March 2023, total revenue of ₹393.77 Crores (Previous Year ₹444.69 crores) and total PBT of ₹74.49 crores (previous year ₹41.79 crores), for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosure included in respect of these branches, is based solely on the reports of such branch auditors.

- The financial statements include profit/(loss) of ₹0.08 Crores (Previous Year ₹0.09 Crores), the company's share in two (2) integrated joint operations (unincorporated) accounts which have been audited by other firms of chartered Accountants and profit/(loss) of ₹0.47 Crores (Previous Year ₹0.42 Crores) the company's share in two (2) joint operations accounts certified by the management for the year ended March 2023.

- We did not audit the financial statements/financial information of eleven (11) subsidiaries whose financial statements/ financial information reflect Total Assets of ₹3655.31 Crores (Previous Year ₹3037.61 Crores) as at 31st March 2023, Total Revenues of ₹488.27 Crores (Previous Year ₹404.71 Crores) and net increase/(decrease) in cash flows amounting to ₹118.13 Crores (Previous Year ₹ 40.36 Crores)) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial statements also include the group's share of ₹30.81 Crores (Previous Year ₹60.28 Crores) profit (net) using equity method in five (5) jointly controlled entities whose financial statements/ financial information have audited by other firm of chartered Accountants, and also included group's share of ₹0.64 Crores (Previous Year ₹ 0.33 Crores)) profit (net) using equity method in two (2) jointly controlled entities whose financial statements/ financial information have not been audited by their auditor but certified by the management and included in the consolidated Ind AS financial statements for the year ended 31st March, 2023.

These financial statements/ financial information which have been audited by other auditors whose financial statement / financial information have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosure included in respect of these audited subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

far as it relates to the aforesaid subsidiaries & Jointly controlled entities, is based solely on the reports of the other Auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "order") issued by the Central Government in terms of Section 143(11) of the Act, based on our audit we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditor's on separate financial statements and the other financial information of subsidiaries and joint ventures as mentions in the 'Others Matters' paragraph, 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 of the aforesaid consolidated Ind AS financial statements:
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors:
  - c) The reports on the accounts of the branch offices of the Holding Company and its subsidiaries and jointly controlled companies incorporated in India, audited under Section 143(8) of the Act by their auditors have been sent to us and have been properly dealt with in preparing this report:
  - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for

- the purpose of preparation of the consolidated Ind AS financial statements.
- e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under.
  - f) Being a Government Company, Provision of section 164(2) of the Act are not applicable pursuant to notification No.G.S.R.463(E) dated 5th June, 2015, issued by Central Government of India.
  - g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - h) Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Holding Company has disclosed the impact of pending litigations as at 31st March, 2023 on the consolidated financial position of the Group, and its jointly controlled entities. Refer Note No. 40 to the Consolidated Ind AS financial statements.
    - (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Refer Note No.21.2 to the consolidated Ind AS financial statements. The Group did not have any 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 Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India.
    - (iv) a) The respective Management of the holding company and its subsidiaries and joint ventures which are companies incorporated in India whose financial

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

statements have been audited under the Act have represented to us and other Auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in note no 46 to the accounts, no have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding Company or any of such subsidiaries and joints ventures to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or any of such subsidiaries and joints ventures or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Management of the holding company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other Auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in note no 46 to the accounts, no funds have been received by the holding Company or any of such subsidiaries and joints ventures from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company and its subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have

been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (v) As stated in note no 2.2.15 to the Consolidated Ind AS financial statements
  - a. The final dividend proposed in the previous year, declared and paid by the holding company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
  - b. The interim dividend declared and paid by the holding company during the year and until the date of this report is in accordance with section 123 of the Act.
  - c. The Board of Directors of the holding company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company, its subsidiaries and jointly controlled entities with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that:

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No	Directions	Auditor's Replies
1.	Whether the Group has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	The Group is using SAP S/4 Hana system to process all the accounting transactions. As per the information and explanation provided to us, no accounting transaction has been processed outside the IT system except income billing for which no financial implication were observed.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group due to the Group's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender Group company).	No, the Group does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group. However, the holding company has given a loan to one of its subsidiaries, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the holding and subsidiary company have booked interest income and interest expenses respectively in their books of accounts on the basis of fair valuation as per Ind AS amounting to ₹18.73 crores.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per examination of records, no funds have been received/receivable by the Group for any specific scheme from central/state agencies during the financial year 2022-23.

**For HDSG & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 002871N

sd/-  
**Harbir Singh Gulati**  
(Partner)  
Membership No: 084072  
UDIN: 23084072BGSJWE8574

Place: New Delhi  
Date: May 24, 2023

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

**"Annexure A" to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED**

In terms of the information and explanation sought by us and given by the company and to the best of our knowledge and believe, we state that:

3(xxi) In respect of the Companies (Auditor's Report) Order, 2020 (CARO 2020), report of the auditor of the holding company, its subsidiaries and joint ventures included in the consolidated financial statements have given their remarks in the following clauses:

S. No	Corporate Identification No. (CIN)	Corporate Identification No. (CIN)	Holding Company/ subsidiary/ Associate/ Joint Venture.	Clause number of the CARO report which is qualified or adverse.
1.	Chhattisgarh East Railway Limited	U45203CT2013GOI000729	Joint Venture	Clause no 3(xvii)
2.	Chhattisgarh East-West Railway Limited	U45203CT2013GOI000768	Joint Venture	Clause no 3(ix)(c), 3(xi)(c), 3(xvii)
3.	Ircon-Soma Tollway Private Limited	U74999DL2005PTC135055	Joint Venture	Clause 3(xx)(b)

The report of the following two (2) joint venture companies included in the consolidated Ind AS financial statements have not been issued by the respective auditors till the date of our auditors Reports on the Ind AS consolidated financial statements.

S. No	Corporate Identification No. (CIN)	Corporate Identification No. (CIN)
1.	Bastar Railway Private Limited	U74900CT2016PTC007251
2.	Indian Railway Stations Development Corporation Limited	U45204DL2012GOI234292

**For HDSG & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 002871N

sd/-  
**Harbir Singh Gulati**  
(Partner)  
Membership No: 084072  
UDIN: 23084072BGSJWE8574

Place: New Delhi  
Date: May 24, 2023



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

### "Annexure B" to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

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

We have audited the internal financial controls over financial reporting of IRCON INTERNATIONAL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Jointly controlled entities as of March 31, 2023 in conjunction with our audit of the consolidated Ind AS financial statements of the Group and its jointly controlled entities for the year ended on that date. We did not audit the internal financial controls over financial reporting of its Eleven subsidiary companies and seven jointly controlled entities, out of which three subsidiaries company are unaudited as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company's and its subsidiary company and jointly controlled company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company and jointly controlled company which are companies incorporating in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10)

of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

disposition of the Holding company's assets that could have a material effect on the consolidated Ind AS financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies and jointly controlled entities, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, internal control needs further strengthening in respect of the following areas identified as on 31.03.2023 as it appears from our examination of the books and records of the Holding company and the reports of the other auditors in respect of entities audited by them

and representation received from the management for entities audited.

- a) The Holding Company has an integrated ERP system which was not used at its full potential. Some of the jointly controlled entities have not used the ERP system for the preparation of financial accounts instead software "Tally" was used for the same with manual interventions. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- b) The Inventory records at some units of the holding company are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to eight audited subsidiary companies, seven jointly controlled entities, and three unaudited subsidiary companies which are companies incorporated in India, is based on the corresponding reports of their other auditors and management certificate respectively (also refer paragraph on Other Matters of the Independent Auditors' Report on Consolidated Ind AS Financial Statements).

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the consolidated financial statements of the group for the year ended 31st March, 2023 and these areas do not affect our opinion on the Consolidated Ind AS financial statements of the Company.

**For HDSG & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 002871N

sd/-

**Harbir Singh Gulati**  
(Partner)

Membership No: 084072  
UDIN: 23084072BGSJWE8574

Place: New Delhi  
Date: May 24, 2023

## CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	201.00	205.01
(b) Capital Work-in-Progress	4	8.47	6.02
(c) Investment Property	5	552.31	555.18
(d) Intangible Assets	6	1,067.42	1,080.40
(e) Intangible Assets under Development	7	10.40	30.48
(f) Right-of-use Assets	8	4.40	4.43
(g) Investments accounted for using the equity method	9	824.17	695.57
(h) Financial Assets	10		
(i) Investments	10.1	125.20	225.18
(ii) Loans	10.2	0.52	0.50
(iii) Others	10.3	1,283.31	1,288.23
(i) Deferred Tax Assets (Net)	11	109.40	72.53
(j) Other Non-Current Assets	12	133.43	30.03
<b>Total Non-Current Assets</b>		<b>4,320.03</b>	<b>4,193.56</b>
<b>2 Current Assets</b>			
(a) Inventories	13	211.83	276.59
(b) Financial Assets	14		
(i) Investments	14.1	99.99	50.00
(ii) Trade Receivables	14.2	863.83	695.19
(iii) Cash and Cash Equivalents	14.3	2,338.11	1,257.77
(iv) Other Bank Balances	14.4	2,784.45	4,255.44
(v) Loans	14.5	0.84	0.80
(vi) Others	14.6	1,968.45	1,328.74
(c) Current Tax Assets (Net)	15	164.87	70.73
(d) Other Current Assets	16	2,784.27	2,316.15
		11,216.64	10,251.41
Assets held for sale	17	0.71	1.39
<b>Total Current Assets</b>		<b>11,217.35</b>	<b>10,252.80</b>
<b>Total Assets</b>		<b>15,537.38</b>	<b>14,446.36</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	18	188.10	188.10
(b) Other Equity	19	5,023.39	4,477.52
<b>Equity attributable to Owners of the parent</b>		<b>5,211.49</b>	<b>4,665.62</b>
Non Controlling Interest	19A	13.13	1.13
<b>Total Equity</b>		<b>5,224.62</b>	<b>4,666.75</b>

## CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> March 2023

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>2 Liabilities</b>			
<b>(i) Non-Current Liabilities</b>			
(a) Financial Liabilities	20		
(i) Borrowings	20.1	1,440.33	1,304.41
(ii) Lease Liabilities	20.2	0.42	0.15
(iii) Trade Payables	20.3		
- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		-	-
(iv) Other Financial Liabilities	20.4	681.10	522.30
(b) Provisions	21	148.57	143.28
(c) Other Non-Current Liabilities	22	776.95	533.96
<b>Total Non-Current Liabilities</b>		<b>3,047.37</b>	<b>2,504.10</b>
<b>(ii) Current Liabilities</b>			
(a) Financial Liabilities	23		
(i) Borrowings	23.1	63.88	94.60
(ii) Lease Liabilities	23.2	0.09	0.01
(iii) Trade Payables	23.3		
- Total outstanding dues of Micro Enterprises and Small Enterprises		13.18	5.36
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		817.64	1,021.88
(iv) Other Financial Liabilities	23.4	2,746.88	2,628.10
(b) Other current liabilities	24	3,287.58	3,294.89
(c) Provisions	21	299.19	212.66
(d) Current Tax liability (Net)	25	36.95	18.01
<b>Total Current Liabilities</b>		<b>7,265.39</b>	<b>7,275.51</b>
<b>Total Equity and Liabilities</b>		<b>15,537.38</b>	<b>14,446.36</b>
III. Summary of Significant Accounting Policies	2		
IV. Notes Forming Part of Financial Statements	1 - 50		

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Place : New Delhi  
Date: May 24, 2023



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>I. Revenue :</b>			
Revenue from operations	26	10,367.93	7,379.67
II. Other income	27	381.96	206.04
<b>III. Total Income (I + II)</b>		<b>10,749.89</b>	<b>7,585.71</b>
<b>IV. Expenses:</b>			
Materials and Stores Consumed	28 (i)	392.29	512.17
(Increase) / Decrease in WIP	28 (ii)	45.60	(165.26)
Project Expenses	28 (iii)	8,892.95	6,125.80
Employee Benefits Expenses	29	284.12	266.61
Finance Costs	30	118.08	61.72
Depreciation, Amortisation and Impairment	31	107.46	95.17
Other Expenses	28 (iii)	49.83	60.79
<b>Total Expenses (IV)</b>		<b>9,890.33</b>	<b>6,957.00</b>
V. Profit before exceptional items and tax (III - IV)		859.56	628.71
VI. Exceptional items		-	-
VII. Share in Profit/(Loss) of Joint Ventures accounted for using equity method		31.44	59.94
VIII. Profit before tax (V + VI + VII)		891.00	688.65
<b>IX Tax expenses:</b>			
(1) Current tax	11		
- For the Period		241.28	186.15
- For earlier years (net)		(78.64)	(87.73)
(2) Deferred tax (net)		(36.87)	(2.04)
<b>Total Tax Expense</b>		<b>125.77</b>	<b>96.38</b>
<b>X Profit for the year (VIII - IX)</b>		<b>765.23</b>	<b>592.27</b>
<b>XI Other Comprehensive Income</b>	32		
A. Items that will not be reclassified to profit or loss			
(i) Net actuarial gains/(losses) on remeasurements of defined benefit plans		1.92	(0.80)
Income Tax relating to net actuarial gains/(losses) on remeasurements of defined benefit plans		(0.48)	0.20
(ii) Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax)		(0.03)	(0.01)
B. Items that will be reclassified to profit or loss			
(i) Exchange differences in translating the financial statements of foreign operations		12.90	6.21
Income Tax relating to exchange differences in translating the financial statements of foreign operations		(3.25)	(1.56)
<b>Other Comprehensive Income/(Expense) for the year, net of income tax</b>		<b>11.06</b>	<b>4.04</b>
<b>XII Total Comprehensive Income for the year (X + XI) (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>776.29</b>	<b>596.31</b>

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
XIII Profit attributable to:			
Owners of the Parent		765.23	592.34
Non Controlling Interest		-	(0.07)
XIV Other Comprehensive Income attributable to:			
Owners of the Parent		11.06	4.04
Non Controlling Interest		-	-
XV Total Comprehensive Income attributable to:			
Owners of the Parent		776.29	596.38
Non Controlling Interest		-	(0.07)
<b>XVI Earnings Per Equity Share attributable to owners of the parent:</b>			
(1) Basic (in ₹)	38	8.14	6.30
(2) Diluted (in ₹)		8.14	6.30
Face Value Per Equity Share		2.00	2.00
XVII Summary of Significant Accounting policies	2		
XVIII Notes Forming Part of Financial Statements	1 - 50		

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Place : New Delhi  
Date: May 24, 2023

## CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars		For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation		891.00	688.65
<b>Adjustment for :</b>			
Interest on unwinding of financial instruments (Net)		0.09	(0.01)
Amortisation of financial instruments (Net)		0.01	-
Finance Cost		112.67	59.75
Depreciation, amortization and impairment		107.46	95.17
Loss on disposal of investment accounted through equity method		-	5.11
Profit on Sale of Assets (net)		(2.44)	(0.99)
Profit on Sale of Mutual Funds		(0.32)	(1.15)
Share in Profit/(Loss) of Joint Ventures		(31.44)	(59.94)
Interest Income		(191.48)	(105.32)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(3.74)	13.89
<b>Operating Profit before working capital changes</b>	<b>(1)</b>	<b>881.81</b>	<b>695.16</b>
<b>Adjustment for :</b>			
Decrease / (Increase) in Trade Receivables		(168.64)	(64.43)
Decrease / (Increase) in Inventories		64.75	(155.94)
Decrease / (Increase) in Loans, Other Financial Assets & Other Assets		(1,112.21)	(786.27)
(Decrease) / Increase in Trade Payables		(196.40)	269.20
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		430.46	1488.96
<b>Cash generated from operation</b>	<b>(2)</b>	<b>(982.04)</b>	<b>751.52</b>
Income Tax Paid	<b>(1+2)</b>	<b>(67.60)</b>	<b>(32.62)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>(167.83)</b>	<b>1,414.06</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment including CWIP		(64.79)	(19.77)
Acquisition of Intangible Assets and Intangible Assets under Development		(34.97)	(21.11)
Purchase / Proceeds of Investment Property		(9.54)	(0.07)
Sale of Property, Plant and Equipment & Intangible Assets		2.05	0.60
Sale / (Investments) in Mutual Funds		81.56	1,246.59
Purchase of Mutual Fund		(81.24)	(1,245.44)
Interest Received		172.18	96.73
Dividend Received from Joint Venture Companies		69.00	41.00
Investment in Joint Venture Companies		(166.19)	(122.87)
Redemption of Bonds		50.00	16.31
Bank Balance Other than Cash and Cash Equivalents		1,449.80	(1,219.32)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>1467.86</b>	<b>1,227.35</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment (to)/from non-controlling interest (net)		12.00	1.20
Proceeds From Non Current Borrowings		165.32	1,124.06
Repayment of Non Current Borrowings		(60.12)	(55.98)
Payment of Lease Liabilities		(0.01)	(0.01)
Final Dividend paid		(61.13)	(159.89)
Interim Dividend paid		(169.29)	(174.00)
Finance Cost paid		(110.20)	(64.63)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(223.43)</b>	<b>670.75</b>
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	<b>(D)</b>	<b>3.74</b>	<b>(13.89)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A+B+C+D)</b>	<b>1,080.34</b>	<b>843.57</b>
<b>CASH AND CASH EQUIVALENTS (OPENING) (Refer Note 2, 4, 5 below)</b>	<b>(E)</b>	<b>1,257.77</b>	<b>414.20</b>
<b>CASH AND CASH EQUIVALENTS (CLOSING) (Refer Note 2, 4, 5 below)</b>	<b>(F)</b>	<b>2,338.11</b>	<b>1,257.77</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(F - E)</b>	<b>1,080.34</b>	<b>843.57</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 31<sup>st</sup> March 2023

Notes:

- The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
- Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Consolidated Statement of Cash Flows :

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Cash in hand	0.09	0.10
Cheques/drafts in hand	-	-
Remittance in Transit	13.61	-
Balances with banks:	-	-
- On current accounts	417.51	874.43
- Flexi Accounts	282.84	282.35
- Deposits with original maturity of less than 3 months	1,624.06	100.89
<b>Total Cash and Cash Equivalents as per Balance Sheet and Consolidated Statement of Cash Flows</b>	<b>2,338.11</b>	<b>1,257.77</b>

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

(₹ in crore)

Particulars	Borrowings*	Lease Liabilities
<b>As at 1 April 2021</b>	<b>333.16</b>	<b>0.16</b>
(a) Cash Flows during the year	1,068.08	(0.01)
(b) Non Cash Changes due to :		
Interest cost on Lease Liabilities	-	0.01
Interest accrued on borrowings (net of interest paid)	(2.13)	-
<b>As at 31 March 2022</b>	<b>1,399.11</b>	<b>0.16</b>
(a) Cash Flows during the year	105.20	(0.01)
(b) Non Cash Changes due to :		
Addition to Lease Liabilities	-	0.34
Interest cost on Lease Liabilities	-	0.02
Interest accrued on borrowings (net of interest paid)	0.05	-
<b>As at 31 March 2023</b>	<b>1,504.36</b>	<b>0.51</b>

\* Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 20.1, Note 23.1 and Note 23.4

- Previous year's figures have been regrouped/reclassified and restated wherever applicable.
- Earmarked and restricted balances are mentioned in Note 14.4 and 14.3.
- Figures in brackets represent outflow of cash.

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Place : New Delhi  
Date: May 24, 2023



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31<sup>st</sup> March 2023

### A. Equity Share Capital

(₹ in crore)

Particulars	Amount
Balance as at 01 April, 2021	94.05
Changes in equity share capital during the year	94.05
<b>Balance as at 31 March, 2022</b>	<b>188.10</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2023</b>	<b>188.10</b>

### B. Other Equity

For the year ended 31<sup>st</sup> March, 2022

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
<b>Balance as at 1 April, 2021</b>	<b>3,284.64</b>	<b>1,024.61</b>	<b>4.93</b>	<b>(5.10)</b>	<b>4,309.08</b>
Profit for the year	-	592.34	-	-	592.34
<b>Other Comprehensive Income</b>					
Remeasurement of Defined Benefit Plans	-	(0.60)	-	-	(0.60)
Share of other comprehensive income/ (expense) of joint ventures accounted for using the equity method	-	(0.01)	-	-	(0.01)
Foreign Exchange translation difference	-	-	-	4.65	4.65
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>591.73</b>	<b>-</b>	<b>4.65</b>	<b>596.38</b>
Dividends Paid	-	(333.89)	-	-	(333.89)
Issue of Bonus Shares	-	(94.05)	-	-	(94.05)
<b>Balance as at March 31, 2022</b>	<b>3,284.64</b>	<b>1,188.40</b>	<b>4.93</b>	<b>(0.45)</b>	<b>4,477.52</b>

For the year ended 31<sup>st</sup> March, 2023

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
<b>Balance as at 1 April, 2022</b>	<b>3,284.64</b>	<b>1,188.40</b>	<b>4.93</b>	<b>(0.45)</b>	<b>4,477.52</b>
Profit for the year	-	765.23	-	-	765.23
<b>Other Comprehensive Income</b>					
Remeasurement of Defined Benefit Plans	-	1.44	-	-	1.44
Share of other comprehensive income/ (expense) of joint ventures accounted for using the equity method	-	(0.03)	-	-	(0.03)
Foreign Exchange translation difference	-	-	-	9.65	9.65
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>766.64</b>	<b>-</b>	<b>9.65</b>	<b>776.29</b>
Dividends Paid	-	(230.42)	-	-	(230.42)
<b>Balance as at March 31, 2023</b>	<b>3,284.64</b>	<b>1,724.62</b>	<b>4.93</b>	<b>9.20</b>	<b>5,023.39</b>

As per our Report of even date attached

For HDSG & Associates

Chartered Accountants  
FRN : 002871N

Sd/-

**Harbir Singh Gulati**

Partner

M. No. 084072

Place : New Delhi

Date: May 24, 2023

For and on behalf of Board of Directors

Sd/-

**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-

**B. Mugunthan**  
Chief Financial Officer

Sd/-

**Brijesh Kumar Gupta**  
Chairman & Managing Director and CEO  
DIN-10092756

Sd/-

**Ritu Arora**  
Company Secretary  
FCS No. 5270

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 1. Group Information

The Consolidated financial statements comprise financial statements of Ircon International Limited ("the Company") and its subsidiaries & Joint Ventures (collectively referred to as "the Group") for the year ended 31 March 2023. The Holding Company is a public sector construction Company, with emphasis on infrastructure projects, domiciled in India (CIN: L45203DL 1976 GOI008171) and is incorporated under the provision of companies Act, with specialization in execution of Railway projects on turnkey basis and otherwise. After commencing business as a Railway construction group, it diversified progressively along with its subsidiaries and Joint Ventures ("the Group") to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro rail works. The Group caters to both domestic and international markets. The Holding Company is an ISO certified Group for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector Company and a Mini Ratna-Category I. The registered office of the Holding Company is located at Plot No. C - 4, District Centre, Saket, New Delhi -110017 India and the shares of the Company are listed on National Stock Exchange and BSE.

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

The Consolidated financial statements are approved for issue by the Holding Company's Board of Directors in their meeting held on 24th May 2023.

### 2. Significant Accounting Policies

#### 2.1 Basis of preparation

The financial statements of the Group 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.

The financial statements have been prepared on a going concern basis following accrual system of accounting. The Group has adopted the historical cost basis for assets and liabilities, except for the

following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value
- Certain financial assets and liabilities measured at fair value
- Defined benefit plans and other long-term employee benefits

#### Basis of Consolidation

a) The consolidated financial statements comprise the financial statements of the Group as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
  - Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

b) The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

c) Consolidated financial statements are prepared using uniform accounting policies for like transactions and

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

- d) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.
- e) Consolidated procedure for:
- i) **Subsidiaries**
- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
  - Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
  - Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
  - Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
  - A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
    - Derecognises the assets (including goodwill) and liabilities of the subsidiary
    - Derecognises the carrying amount of any non-controlling interests
    - Derecognises the cumulative translation differences recorded in equity

- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

ii) **Joint arrangement**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Parent Company has both joint operations and joint ventures.

- **Joint operations:** Group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the standalone financial statements under the appropriate headings.
- **Joint ventures:** Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet.

f) **Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy of impairment.

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#### 2.2 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

##### 2.2.1 Current vs non-current classification

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

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, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

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

The Group classifies all other liabilities as non-current.

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

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

##### 2.2.2 Property, plant and equipment

###### 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 Group and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

###### Cost of asset includes

- a) Purchase price, net of any trade discount and rebates
- b) Borrowing cost if capitalization criteria is met

- c) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use
- d) 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.
- e) 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.

###### Subsequent measurement

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Group 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.

###### Depreciation and useful lives

Depreciation on property, plant and equipment, excluding freehold land and lease hold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013. However, in case of certain class of assets, the group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts.

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

Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset. Leasehold land acquired on perpetual lease is not amortized.



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Property plant and equipment acquired during the period, individually costing up to ₹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

#### 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.

#### **2.2.3 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.

#### **2.2.4 Investment properties**

##### Recognition and initial measurement

Investment Property is recognized when it is probable that future economic benefits associated with the property will flow to the group 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.

##### Subsequent measurement and depreciation

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent cost are added if recognition criteria is met. The Group 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 Group 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.

#### 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.

#### **2.2.5 Intangible assets**

##### 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 Group 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"

##### 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 ₹1 Lakhs in each case is fully amortized in the period of purchase, by keeping ₹1 as token value for identification.

The cost of capitalized software is amortized over a

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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period 36 months from the date of its acquisition.

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

Amortization methods, useful lives and residual values are reviewed at least at each reporting period and adjusted prospectively, if appropriate.

#### 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 recognized in the statement of profit or loss when the asset is de-recognized.

#### **2.2.6 Impairment of non-financial assets**

At each reporting date, the Group 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 Group 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.

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.

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 Group 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.

#### **2.2.7 Inventories**

a) 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.

b) Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably.

c) 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.

d) 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.

e) Loose tools are expensed in the period of purchase.

#### **2.2.8 Government grant**

Grant from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the subsidiary companies will comply with all attached conditions. Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that there intended to compensate and presented within contract revenue.

#### **2.2.9 Revenue recognition**

The Group operates in construction industry and it earns revenue primarily from the Engineering, Procurement and Construction business. The contracts with the customers are of construction of railways, construction of roads & highways, construction of commercial and residential buildings, electrification work and others. The type of work in these contracts involve geotechnical investigations, topographical surveys, resource-

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planning, preparation of DPR, construction, engineering, designing, supply of materials, redevelopment of system, installation, project management, operations and management etc ("together called as construction related services"). The Group provides these construction services on a fixed-sum turnkey basis as well as on cost plus basis.

Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

#### a) Revenue from contract with customer

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. The nature of Group's contract gives rise to several types of variable consideration including escalation and liquidated damages. 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. The Group recognizes revenue for variable consideration when it is probable that a significant reversal in the amount cumulative revenue recognized will not occur. The Group estimates the amount of revenue to be recognized on variable consideration using most likely amount method. 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.

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

The Group 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 group's performance as the group perform

- The group'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 group's performance does not create an asset with an alternative use to the group and the group has an enforceable right to payment for performance completed to date.

The Group has established certain criteria with respect to the method for recognizing the revenue that is applied consistently for similar performance obligations. The Group measures progress of work using input method where outcome can be estimated reliably and performance obligation is satisfied over the time. Under input method, contract revenue is recognized as revenue by reference to the stage of completion as at the reporting date. The stage of completion is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

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

#### b) Contract balances

- Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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 Group'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).
- Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is

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### For The Year Ended 31<sup>st</sup> March 2023

earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### c) Toll Fee

The subsidiary company recognizes toll revenue as and when it collects at transaction price i.e., usage fee which is exclusive of amounts collected on behalf of third parties.

#### d) Other operating income

- Rental income arising from the renting of machinery given under operating lease is accounted for a straight-line basis over the lease terms.
- Other operating income represents income earned from the activities incidental to business and is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract.

#### e) 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.

#### 2.2.10 Borrowing cost

Borrowing costs consist of interest and other costs that the Group 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.

#### 2.2.11 Taxes

##### a) 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 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 group 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.

##### b) 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 period 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 it 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.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.



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#### 2.2.12 Foreign currencies

- **Functional and presentation currency**

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

- **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.

- **Foreign Operations**

Foreign Operations related to branches that have the functional currency different from the presentation currency are translated into presentation currency for the purpose of standalone financial statements, the assets and liabilities (both monetary and non-monetary) of the Group's foreign branches are translated into Indian Rupees using exchange rates prevailing at the end of reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuate significantly during the period, in which case the exchange rates at the dates of transaction are used. Exchange difference arising, if any, are recognized in other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of foreign operations (on closure of the books of the project), all of the exchange differences accumulated in equity in respect of that operation are reclassified to statement of profit and loss.

#### 2.2.13 Employee benefit

##### a) 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 the period in which the employee renders the related services.

##### b) Post-employment benefits

**Defined Contribution Plan:** A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss during the period in which the employee renders the related services.

The Group has a defined contribution employee pension scheme which is administered through a separate trust (Ircan Defined Contribution Superannuation Pension Scheme 2009, Trust). The Contributions towards the trust are recognized in the statement of profit and loss for the period when the contributions towards the trust are due.

**Defined Benefit Plan:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Group. The Group's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by a separate trust (Ircan Employees Group Gratuity Trust). The contributions to the gratuity trust for the period are recognized as expense and are charged to statement of profit and loss. The Group pays fixed contribution to the recognized provident fund at predetermined rates to a separate trust (Ircan Contributory Provident Fund Trust), which invests the funds in permitted securities. The contributions to the fund for the period are recognized as expense and are charged to statement of profit and loss. The obligation of the Group is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India. The Group has Post-Retirement Medical Facility (PRMF) which is

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also funded by the Group and is managed by a separate trust (Ircan Medical Trust). The contributions to the medical trust for the period are recognized as expense and are charged to statement of profit and loss.

The Group's net obligation in respect of defined benefit plans is measured separately for each plan at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The calculation is performed by an independent actuary using the projected unit credit method and provided for if the circumstances indicate that the Trusts may not be able to generate adequate returns to cover the interest rates notified by the Government.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to statement of profit and loss.

Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognised in the statement of profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

##### c) Other long-term employee benefits

The Group treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and

losses are recognised in the statement of profit and loss as employee benefit expenses.

#### 2.2.14 Cash and cash equivalents

Cash and cash equivalent include cash in 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 Group's cash management.

#### 2.2.15 Dividend

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

#### 2.2.16 Provisions, contingent assets and contingent liabilities

##### a) Provisions

Provisions are recognised when the Group 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.

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.

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

##### b) Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract)

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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 Group 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 Group recognises any impairment loss that has occurred on assets dedicated to that contract.

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

#### c) Contingent liabilities

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.

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

#### d) Contingent assets

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

#### 2.2.17 Service concession arrangement

##### a) Financial asset under service concession arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)

The Group recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor ("NHAI") for the construction services and Operation & Maintenance services). Such financial assets are initially measured at fair value i.e. present value and subsequently at amortized cost using the Effective Interest Rate (EIR) method. Under this method, financial asset will be increased for the financing element and reduced as and when money is received from grantor. Group combine the two or more contracts entered into at or

near the same time with the same customer and account for the contracts as a single contract if contracts are negotiated as a package with a single commercial objective or amount of consideration to be paid in one contract depends on the price or performance of the other contract or goods or services promised in the contracts are single performance obligation.

##### b) Intangible asset under service concession arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)

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 Group 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 Group and the cost of the asset can be measured reliably.

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

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

Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group 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 Group receives the completion certificate from the authority as specified in the Concession Agreement.

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

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Service Concession Arrangements that meet the definition of an Intangible Asset are recognised at cumulative construction cost till completion of construction of the project.

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

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.

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

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

#### 2.2.18 Leases

The Group 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.

##### a) Group as a lessee

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

##### i) Right-of-use assets

The Group 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.

If ownership of the leased asset transfers to the Group 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.

##### ii) Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group 's lease liabilities are included in financial liabilities.

##### iii) Short term lease and leases of low value assets

The Group 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



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### For The Year Ended 31<sup>st</sup> March 2023

low value. 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 Group 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.

#### b) Group as a lessor

Leases in which the Group 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.

#### 2.2.19 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.

##### a) Financial assets

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.

##### Subsequent measurement

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

##### • Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- 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.

##### • Debt instruments at FVTOCI

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 Group 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 earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

##### • Debt instruments at FVTPL

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.

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

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##### • 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 Group 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.

##### Impairment of financial assets

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

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 116
- 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
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group 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 Group 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 group 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 Group 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 FVTOCI, 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

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### For The Year Ended 31<sup>st</sup> March 2023

asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

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

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised 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.

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

#### **b) Financial liabilities**

##### 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 Group's financial liabilities include trade and other payables, loans and borrowings other financial liabilities etc

##### Subsequent measurement

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

- **Financial liabilities at fair value through profit or loss**

The Group has not designated any financial liabilities at FVTPL.

- **Financial liabilities at amortized cost**

##### 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.

#### Derecognition of financial liabilities

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

#### **c) Financial guarantee contracts**

Financial guarantee contracts issued by the Group 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.

#### **d) Reclassification of financial assets**

The Group 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 Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **e) Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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.

#### **2.2.20 Fair value measurement**

The Group measures financial instruments at fair value at each reporting period.

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

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

The principal or the most advantageous market must be accessible by the Group.

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.

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.

The Group 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.

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:

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

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

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

For the purpose of fair value disclosures, the Group 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.

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

#### **2.2.21 Non – current asset held for sale**

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

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



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the period when non-current assets held for sale criteria are no longer met.

#### 2.2.22 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 group.

#### 2.2.23 Significant accounting estimates and judgments

The estimates used in the preparation of the said financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group 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 Group 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.

#### a. 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 receivable's balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

#### b. Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary

increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### c. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. 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 Group is involved, it is not expected that such contingencies will have material effect on its financial position of probability.

#### d. Impairment of financial assets

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

#### e. 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 Group 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

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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.

#### f. 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.

#### g. Non-current asset held for sale

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

#### h. Leases – Estimating the incremental borrowing rate

The Group 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 Group 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.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group 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 Group has lease contracts that include extension and termination options. The Group 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 Group 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).

#### i. Revenue recognition

The Group's revenue recognition policy is central to how the Group 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.

There are several long term and complex projects where the Group has incorporated significant judgments over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract:

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviews 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

Particulars	(₹ in crore)											
	Freehold Land	Lease hold Land	Freehold Buildings/Flats -Residential	Freehold Buildings/Flats -Non -Residential	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Foot Notes								(i)	(ii)			
<b>Gross Carrying Amount (At Cost)</b>												
<b>As at 1 April 2021</b>	42.69	36.89	6.36	63.02	180.48	1.74	7.39	4.87	4.96	2.87	3.58	354.85
Additions	-	-	-	-	13.39	1.04	0.75	0.38	1.20	0.15	-	16.91
Disposals/Adjustments	-	-	-	(19.40)	(0.28)	-	(0.42)	(0.10)	(0.11)	-	-	(0.91)
Transfer to Investment Property (Refer Note-iii)	-	(36.89)	-	-	-	-	-	-	-	-	-	(56.29)
Transfer to Assets held for sale (Refer Note-v)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Gain / (Loss) (Refer Note-iv)	-	-	-	0.19	0.35	-	(0.02)	0.03	0.01	-	0.06	0.62
<b>As at 31 March 2022</b>	42.69	-	6.36	43.81	193.94	2.78	7.70	5.18	6.06	3.02	3.64	315.18
Additions	-	-	-	0.29	17.15	0.18	1.27	0.75	0.82	0.06	0.32	20.84
Disposals/Adjustments	-	-	-	-	1.50	-	(0.46)	(0.15)	(0.10)	-	(0.01)	0.78
Transfer to Investment Property (Refer Note-iii)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Assets held for sale (Refer Note-v)	-	-	0.19	-	-	-	-	-	-	-	-	0.19
Exchange Gain / (Loss) (Refer Note-iv)	-	-	-	-	4.01	0.05	0.03	0.08	0.06	0.05	0.24	4.52
<b>As at 31 March 2023</b>	42.69	-	6.55	44.10	216.60	3.01	8.54	5.86	6.84	3.13	4.19	341.51
<b>Depreciation and Impairment</b>												
<b>As at 1 April 2021</b>	-	-	3.64	18.69	58.15	0.64	4.86	2.89	1.78	2.55	1.67	94.87
Depreciation charge for the year	-	-	0.10	2.99	11.36	0.17	1.09	0.58	0.51	0.12	0.38	17.30
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(0.10)	-	(0.35)	(0.07)	(0.05)	-	-	(0.57)
Transfer to Investment Property (Refer Note-iii)	-	-	-	(1.85)	-	-	-	-	-	-	-	(1.85)
Transfer to Assets held for sale (Refer Note-v)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Gain / (Loss) (Refer Note-iv)	-	-	-	0.09	0.30	-	(0.01)	0.01	-	-	0.03	0.42
<b>As at 31 March 2022</b>	-	-	3.74	19.92	69.71	0.81	5.59	3.41	2.24	2.67	2.08	110.17
Depreciation charge for the year	-	-	0.77	1.97	20.57	0.25	1.05	0.54	0.61	0.10	0.36	26.22
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	1.50	-	(0.37)	(0.14)	(0.05)	-	-	0.94
Transfer to Investment Property (Refer Note-iii)	-	-	-	-	-	-	-	-	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Particulars	(₹ in crore)											
	Freehold Land	Lease hold Land	Freehold Buildings/Flats -Residential	Freehold Buildings/Flats -Non -Residential	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Transfer to Assets held for sale (Refer Note-v)	-	-	0.05	-	-	-	-	-	-	-	-	0.05
Exchange Gain / (Loss) (Refer Note-iv)	-	-	-	0.15	2.63	0.02	0.03	0.06	0.04	0.04	0.16	3.13
<b>As at 31 March 2023</b>	-	-	4.56	22.04	94.41	1.08	6.50	3.87	2.84	2.81	2.60	140.51
<b>Net Book Value</b>												
<b>At 31 March 2023</b>	42.69	-	1.99	22.06	122.19	1.93	2.24	1.99	4.00	0.32	1.59	201.00
<b>At 31 March 2022</b>	42.69	-	2.62	23.89	124.23	1.97	2.11	1.77	3.82	0.35	1.56	205.01

#### Foot Notes: -

- Office Equipment includes Electrical Appliances and Air Conditioners.
- Furniture & Fixtures includes Furnishings.
- Property situated at Noida Sector-1 transferred from PPE to Investment Property
- Carrying amount include Foreign Exchange Gain/(Loss) on account of PPE translation from functional currency to presentation currency.
- Freehold Building - Residential at Chennai transferred from Assets held sale to plant, property & Equipment
- Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

Class of Assets	Useful lives as per Schedule II (in Years)		Useful life adopted based on technical evaluation (in years)
	Useful lives as per Schedule II (in Years)	Useful life adopted based on technical evaluation (in years)	
Building/flats residential/non residential*	60	8-60	
Plant and Machinery *	8-15	1-15	
Survey instruments	10	10	
Computers	3-6	3-6	
Office Equipment's	5-10	5-10	
Furniture and fixtures	10	10	
Caravans, Camps and temporary shed	3-5	3-5	
Vehicles	8-10	8-10	

\* Each significant component of the asset has been considered for determination of useful life of the assets as per the technical evaluation.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 4. Capital Work in Progress

(₹ in crore)

Particulars	Amount
<b>As at 1 April 2021</b>	<b>3.17</b>
Additions (subsequent expenditure)	8.32
Adjustments	(4.45)
Impairment	(0.75)
Capitalised during the year	(0.27)
<b>As at 31 March 2022</b>	<b>6.02</b>
Additions (subsequent expenditure)	2.45
Adjustments	-
Impairment	-
Capitalised during the year	-
<b>As at 31 March 2023</b>	<b>8.47</b>
<b>Net Book Value at 31 March 2023</b>	<b>8.47</b>
<b>at 31 March 2022</b>	<b>6.02</b>

#### (i) Ageing of Capital Work in Progress

The Ageing Schedule of Capital Work in Progress for the year ended as at 31st March 2023 and March 2022 is as follows:

Particulars	Amount in Capital Work in Progress for a period of					Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years		
<b>As at March 31, 2023</b>						
Projects in progress (Refer note iv)	2.45	6.02	-	-	-	<b>8.47</b>
Projects temporarily suspended	-	-	-	-	-	-
	<b>2.45</b>	<b>6.02</b>	-	-	-	<b>8.47</b>
<b>As at March 31, 2022</b>						
Projects in progress (Refer note iv)	6.02	-	-	-	-	<b>6.02</b>
Projects temporarily suspended	-	-	-	-	-	-
	<b>6.02</b>	-	-	-	-	<b>6.02</b>

ii) There are no projects where activity has been suspended.

iii) There are no projects as at 31st March 2023 & 31st March 2022 which has exceeded its cost or completion is overdue.

iv) Includes 500 MW Solar Plant under construction.

### 5. Investment Property

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
<b>As at 1 April 2021</b>	<b>290.31</b>	<b>0.57</b>	<b>126.81</b>	<b>2.23</b>	<b>96.31</b>	-	<b>3.04</b>	<b>519.27</b>
Additions (subsequent expenditure)*	-	-	-	-	0.07	-	-	<b>0.07</b>
Derecognised during the year	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	(96.38)	96.38	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
Transferred from Property, Plant and Equipment (Refer foot note (i))	36.89	-	19.40	-	-	-	-	<b>56.29</b>
<b>As at 31 March 2022</b>	<b>327.20</b>	<b>0.57</b>	<b>146.21</b>	<b>2.23</b>	-	<b>96.38</b>	<b>3.04</b>	<b>575.63</b>
Additions (subsequent expenditure)*	-	-	10.56	-	-	-	-	<b>10.56</b>
Derecognised during the year	-	-	-	-	-	(1.02)	-	<b>(1.02)</b>
Capitalised during the year	-	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>327.20</b>	<b>0.57</b>	<b>156.77</b>	<b>2.23</b>	-	<b>95.36</b>	<b>3.04</b>	<b>585.17</b>
<b>Depreciation and Impairment</b>								
<b>As at 1 April 2021</b>	-	-	<b>7.95</b>	-	-	-	<b>0.31</b>	<b>8.26</b>
Depreciation during the year	-	-	7.01	-	-	3.28	0.04	<b>10.34</b>
Transferred from Property, Plant and Equipment (Refer foot note (i))	-	-	1.85	-	-	-	-	<b>1.85</b>
<b>As at 31 March 2022</b>	-	-	<b>16.81</b>	-	-	<b>3.28</b>	<b>0.36</b>	<b>20.45</b>
Depreciation during the year	-	-	7.92	-	-	3.55	0.94	<b>12.41</b>
<b>As at 31 March 2023</b>	-	-	<b>24.73</b>	-	-	<b>6.83</b>	<b>1.30</b>	<b>32.86</b>
<b>Net Block</b>								
<b>at 31 March 2023</b>	<b>327.20</b>	<b>0.57</b>	<b>132.04</b>	<b>2.23</b>	-	<b>88.53</b>	<b>1.74</b>	<b>552.31</b>
<b>at 31 March 2022</b>	<b>327.20</b>	<b>0.57</b>	<b>129.40</b>	<b>2.23</b>	-	<b>93.10</b>	<b>2.68</b>	<b>555.18</b>

#### Information regarding income and expenditure of Investment property

(₹ in crore)

Particulars	31 March 2023	31 March 2022
Rental income derived from investment properties	6.46	0.54
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	4.40	0.01
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year	-	-
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>2.06</b>	<b>0.53</b>
Less: Depreciation during the year	(8.86)	(0.27)
<b>Profit arising from investment properties before indirect expenses</b>	<b>(6.80)</b>	<b>0.26</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### Reconciliation of fair value

(₹ in crore)

Particulars	Noida			Gurugram		Bangalore		Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
<b>As at 1 April 2021</b>	<b>217.32</b>	-	<b>116.79</b>	<b>118.48</b>	<b>87.37</b>	-	<b>7.87</b>	<b>547.83</b>
Addition during the year	-	-	-	-	0.07	-	-	<b>0.07</b>
Derecognised during the year	-	-	-	-	-	-	-	-
Transferred from Property, Plant and Equipment (Refer foot note (i))	25.02	-	16.59	-	-	-	-	<b>41.61</b>
Capitalised during the year	-	-	-	-	(87.44)	87.44	-	-
Fair value difference for the year	5.89	-	3.32	3.34	-	2.69	1.49	<b>16.73</b>
<b>As at 31 March 2022</b>	<b>248.23</b>	-	<b>136.70</b>	<b>121.82</b>	-	<b>90.13</b>	<b>9.36</b>	<b>606.24</b>
Addition during the year	-	-	-	-	-	-	-	-
Derecognised during the year	-	-	-	-	-	-	-	-
Transferred from Property, Plant and Equipment (Refer foot note (i))	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-
Fair value difference for the year	14.20	-	(15.26)	3.34	-	(4.91)	0.21	<b>(2.42)</b>
<b>As at 31 March 2023</b>	<b>262.43</b>	-	<b>121.44</b>	<b>125.16</b>	-	<b>85.22</b>	<b>9.57</b>	<b>603.82</b>
<b>Note:-</b>								
Investment Property acquired	-	-	-	-	-	-	-	-
Investment Property self constructed	<b>262.43</b>	-	<b>121.44</b>	<b>125.16</b>	-	<b>85.22</b>	<b>9.57</b>	<b>603.82</b>
	<b>262.43</b>	-	<b>121.44</b>	<b>125.16</b>	-	<b>85.22</b>	<b>9.57</b>	<b>603.82</b>

(i) Property situated at Noida Sector-1 transferred from PPE to Investment Property

(ii) These valuations are based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 applying valuation model acceptable internationally. Fair Values are based on cost & income/cost/market value approach. As per assumption made by valuer, one time lease payment of ₹66.89 Crore in case of Noida land has not been considered. Further, GST amounting to ₹22.14 Crore has not been considered for Noida and Gurugram in the valuation report.

(iii) The fair value measurement is categorised in Level 3 of fair value hierarchy.

(iv) Investment property in Noida is at three locations having lease term of 90 years, Properties in Gurugram and Bangalore are at one location only which are freehold.

#### \* Detail of Additions (subsequent expenditure)

* Detail of Additions (subsequent expenditure)	As at 31st March 2023	As at 31st March 2022
	Capital work in progress Noida Sector 48	Capital work in progress Gurugram
- Work Expenses	10.56	(0.20)
- Consultancy Charges	-	0.22
- Salary & Wages	-	0.02
- Power, Electricity and Water charges	-	0.03
<b>Total</b>	<b>10.56</b>	<b>0.07</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 6. Intangible Assets

(₹ in crore)

Particulars	Intangibles (Software/ Lease Rights/Toll Road)			
	Software	Lease Rights	Toll Road	Total
<b>Gross Block</b>				
<b>As at 1 April 2021</b>	<b>2.13</b>	<b>72.34</b>	<b>1,248.98</b>	<b>1,323.45</b>
Addition during the year	0.42	-	-	<b>0.42</b>
Sales / adjustment during the year	0.01	-	-	<b>0.01</b>
<b>As at 31 March 2022</b>	<b>2.56</b>	<b>72.34</b>	<b>1,248.98</b>	<b>1,323.88</b>
Addition during the year	9.09	-	45.96	<b>55.05</b>
Sales / adjustment during the year	-	-	-	-
<b>As at 31 March 2023</b>	<b>11.65</b>	<b>72.34</b>	<b>1,294.94</b>	<b>1,378.93</b>
<b>Amortisation and Impairment</b>				
<b>As at 1 April 2021</b>	<b>1.88</b>	<b>8.95</b>	<b>166.23</b>	<b>177.06</b>
Amortisation during the year	0.23	1.64	64.54	<b>66.41</b>
Sales / adjustment during the year	-	-	0.01	<b>0.01</b>
<b>As at 31 March 2022</b>	<b>2.11</b>	<b>10.59</b>	<b>230.78</b>	<b>243.48</b>
Amortisation during the year	0.85	1.64	65.54	<b>68.03</b>
Sales / adjustment during the year	-	-	-	-
<b>As at 31 March 2023</b>	<b>2.96</b>	<b>12.23</b>	<b>296.32</b>	<b>311.51</b>
<b>Net book value</b>				
<b>At 31 March 2023</b>	<b>8.69</b>	<b>60.11</b>	<b>998.62</b>	<b>1,067.42</b>
<b>At 31 March 2022</b>	<b>0.45</b>	<b>61.75</b>	<b>1,018.20</b>	<b>1,080.40</b>

#### Foot Note:

**Software :** Software includes capital expenditure made for acquiring SAP S4 / HANA ERP software.

**Lease Rights :-** Ircon Infrastructure and Services Limited has entered into an agreement with RLDA (Rail Land Development Authority) to build Multi Functional Complexes (MFCs) at various railway stations. The Land belongs to Railways and the company has construct the buildings on the same and having lease rights (commercial Rights) of 45 years from the date of commencement of MFC. The Lease Rights has been amortised over the lease period from the date in which the concerned project comes into commercial operations on prorata basis. The amount amortised during the year amounts to ₹1.64 crore (F.Y 2021-22 ₹1.64 crore )

**Toll Road :-** Toll Road also includes value of IT Infrastructure Software along with some small movable assets 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.

### 7. Intangible Assets under Development

(₹ in crore)

Particulars	Intangible assets under development		
	Software	Toll Road	Total
<b>Gross Block</b>			
<b>As at 1 April 2021</b>	<b>9.79</b>	-	<b>9.79</b>
Addition during the year	-	20.69	<b>20.69</b>
Capitalisation during the year	-	-	-
Sales / adjustment during the year	-	-	-
<b>As at 31 March 2022</b>	<b>9.79</b>	<b>20.69</b>	<b>30.48</b>
Addition during the year	1.89	33.08	<b>34.97</b>
Capitalisation during the year	(9.09)	(45.96)	<b>(55.05)</b>
Sales / adjustment during the year	-	-	-
<b>As at 31 March 2023</b>	<b>2.59</b>	<b>7.81</b>	<b>10.40</b>
<b>Amortisation and Impairment</b>			
<b>As at 1 April 2021</b>	-	-	-
Amortisation during the year	-	-	-
Impairment	-	-	-
Sales / adjustment during the year	-	-	-
<b>As at 31 March 2022</b>	-	-	-
Amortisation during the year	-	-	-
Impairment	-	-	-
Sales / adjustment during the year	-	-	-
<b>As at 31 March 2023</b>	-	-	-
<b>Net book value</b>			
<b>At 31 March 2023</b>	<b>2.59</b>	<b>7.81</b>	<b>10.40</b>
<b>As at 31 March 2022</b>	<b>9.79</b>	<b>20.69</b>	<b>30.48</b>

#### Foot Note:

i) Intangible assets under development represents capital expenditure made for acquiring the SAP S4/HANA ERP software and Toll Road.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

ii) The Ageing Schedule of Intangible Assets under Development for the year ended as at 31<sup>st</sup> March 2023 and March 2022 is as follows.

(₹ in crore)

Particulars	Amount in Intangible Assets under Development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>					
<b>Projects in progress</b>					
SAP S-4 HANA SAP/ERP	1.89	-	-	0.70	<b>2.59</b>
Toll Road	7.81	-	-	-	<b>7.81</b>
<b>Projects temporarily suspended</b>	-	-	-	-	-
	<b>9.70</b>	-	-	<b>0.70</b>	<b>10.40</b>
<b>As at March 31, 2022</b>					
<b>Projects in progress</b>					
SAP S-4 HANA SAP/ERP	-	-	9.79	-	<b>9.79</b>
Toll Road	20.69	-	-	-	<b>20.69</b>
<b>Projects temporarily suspended</b>	-	-	-	-	-
	<b>20.69</b>	<b>9.79</b>	-	-	<b>30.48</b>

iii) In Case of below projects, completion is overdue, total cost approved is ₹26.16 Crore and the project is expected to be completed as below:

(₹ in crore)

Particulars	Amount in Intangible Assets under Development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>					
<b>Projects in progress</b>					
SAP S-4 HANA SAP/ERP	3.50	5.26	5.70	-	<b>14.47</b>
<b>Projects temporarily suspended</b>	-	-	-	-	-
	<b>3.50</b>	<b>5.26</b>	<b>5.70</b>	-	<b>14.47</b>

### 8. Right-of-use Assets

(₹ in crore)

Particulars	Land (ii)	Building (i)	Vehicles	Total
<b>Gross Block</b>				
<b>As at 1 April 2021</b>	<b>1.25</b>	<b>5.21</b>	<b>0.04</b>	<b>6.50</b>
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
<b>As at 31 March 2022</b>	<b>1.25</b>	<b>5.21</b>	<b>0.04</b>	<b>6.50</b>
Addition during the year	0.35	-	-	<b>0.35</b>
Disposals / adjustment during the year	-	(0.01)	-	<b>(0.01)</b>
<b>As at 31 March 2023</b>	<b>1.60</b>	<b>5.20</b>	<b>0.04</b>	<b>6.84</b>
<b>Depreciation and Impairment</b>				
<b>As at 1 April 2021</b>	<b>0.11</b>	<b>1.55</b>	<b>0.04</b>	<b>1.70</b>
Depreciation during the year	0.05	0.32	-	<b>0.37</b>
Impairment during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
<b>As at 31 March 2022</b>	<b>0.16</b>	<b>1.87</b>	<b>0.04</b>	<b>2.07</b>
Depreciation during the year	0.06	0.32	-	<b>0.38</b>
Impairment during the year	-	-	-	-
Disposals / adjustment during the year	-	(0.01)	-	<b>(0.01)</b>
<b>As at 31 March 2023</b>	<b>0.22</b>	<b>2.18</b>	<b>0.04</b>	<b>2.44</b>
<b>Net Book Value</b>				
<b>At 31 March 2023</b>	<b>1.38</b>	<b>3.02</b>	-	<b>4.40</b>
<b>At 31 March 2022</b>	<b>1.09</b>	<b>3.34</b>	-	<b>4.43</b>

#### Foot Note:

- i) Includes lease hold building on Railways land for 30 years lease at San Martin Marg, New Delhi & Pali Hill, Mumbai & Metro Railway Service Building, Kolkata for which agreement is yet to be finalised.
- ii) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ₹0.76 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

iii) Title deeds of immovable properties not held in name of the holding company :

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company (also indicate if in dispute)
Right-of-use Assets	Pali Hill, Bandra Flat No. 401 Mumbai	0.21	WESTERN RAILWAY	No	14/08/2002	Flats are constructed on Railway Land and has been leased to IRCON by respective Zonal Railway for a period of 30 years based on instruction issued in this regard.
Right-of-use Assets	Flats at St. Martin, New Delhi	2.26	NORTHERN RAILWAY	No	16/09/2004	
Right-of-use Assets	Metro Rail Service Building, Kolkata	0.75	METRO RAIL, KOLKATA	No	03/03/2000	Office accommodation constructed by Metro Railway, Kolkata on Railway Land and has been leased out to IRCON for a period of 30 years as per instruction issued in this regard.

### 9. Investments accounted for using the equity method

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Investments in Equity Instruments (fully paid-up, unquoted, using Equity Method)</b>		
<b>Joint Venture Companies</b>		
Ircon-Soma Tollway Private Limited 6,38,70,000 equity shares of ₹10 each (31 March 2022 : 6,38,70,000)	81.23	90.40
Indian Railway Stations Development Corporation Limited 5,19,99,699 equity shares of ₹10 each (31 March 2022 : 5,19,99,699) (Refer foot note (i))	58.19	57.34
Bastar Railway Private Limited 7,63,37,300 equity shares of ₹10 each (31 March 2022 : 7,63,37,300)	76.12	76.37
Jharkhand Central Railway Limited 2,62,56,438 equity shares of ₹10 each (31 March 2022 : 1,30,00,000) (Refer foot note (ii))	142.49	63.94
Mahanadi Coal Railway Limited 2,60,00,000 equity shares of ₹10 each (31 March 2022 : 2,60,00,000) (Refer foot note (iii))	77.64	25.76
Chhattisgarh East Railway Limited 19,78,55,700 equity shares of ₹10 each (31 March 2022 : 19,78,55,700) (Refer foot note (iv))	194.90	224.92
Chhattisgarh East-West Railway Limited 19,39,91,200 equity shares of ₹10 each (31 March 2022 : 15,71,70,000)	193.60	156.84
<b>Total</b>	<b>824.17</b>	<b>695.57</b>
<b>Aggregate Book Value of Unquoted Investments</b>	<b>824.17</b>	<b>695.57</b>
<b>Aggregate amount of Impairment in Value of Investments</b>	-	-

#### Foot Notes:-

- (i) Ministry of Railways" (MoR) vide its letter No. 2011/LMB/22/1/39 dated 18.10.2021 had communicated 'in-principle' decision for closure of Indian Railway Station Development Corporation Limited (IRSDC) (a Joint Venture Company) and transfer/handover of its business to RLDA/MoR. Accordingly, as part of the closure activities, all assets and liabilities (except investments in SITCO and GARUD) are to be transferred to RLDA/MoR on slump sale basis for a consideration not less than the book value as on the cutoff date to be mutually agreed upon as approved in the 59th BoD meeting held on 07.11.2022 of IRSDC. Closure related activities initiated in FY 2021-22 are yet to be completed. The Liquidation process shall commence on completion of these activities and handing over of assets and liabilities to RLDA/MoR. Financial statements of IRSDC has been prepared on liquidation basis. The Group does not foresee any impairment in the value of its investment as the Company's share in the reported Net Worth of IRSDC is ₹58.50 Crore i.e.26% of ₹225 Crore.
- (ii) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹50 crore in favour of Jharkhand Central Railway Limited. The loan will repaid only on winding up of the Project or end of concession period which ever is later.
- (iii) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹52 crore in favour of Mahanadi Coal Railway Limited (a Joint Venture Company). The loan will repaid only on winding up of the Project or end of concession period which ever is later. The Group had unrecognised share of losses in respect of Mahanadi Coal Railway Limited (a Joint Venture Company) amounting to ₹0.22 crore till FY 2020-21 which has been recognised in the FY 2021-22 due to further equity contribution in Mahanadi Coal Railway Limited.
- (iv) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹15.60 crore in favour of Chhattisgarh East Railway Limited (CERL). The loan will repaid only on winding up of the Project or end of concession period which ever is later.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 10. Non-Current Assets – Non-Current Financial Assets

#### 10.1 Non-Current Financial Assets – Investments

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Investment in Bonds (Quoted, at Amortised cost)</b>		
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of ₹1,000 each (31 March 2022 : 5,00,000)	-	50.00
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each (31 March 2022 : 500)	-	49.98
7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of ₹10,00,000 each (31 March 2022 : 250)	25.00	25.00
7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of ₹1,000 each (31 March 2022 : 3,02,000)	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of ₹1,000 each (31 March 2022 : 1,99,989)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of ₹10,00,000 each (31 March 2022 : 500)	50.00	50.00
<b>Total</b>	<b>125.20</b>	<b>225.18</b>
<b>Aggregate Book Value of Quoted Investments</b>	<b>125.20</b>	<b>225.18</b>
<b>Aggregate Market Value of Quoted Investments</b>	<b>130.41</b>	<b>252.66</b>
<b>Aggregate Book Value of Unquoted Investments</b>	-	-
<b>Aggregate amount of Impairment in Value of Investments</b>	-	-

#### 10.2 Non-Current Financial Assets – Loans

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.03	0.07
<b>B. Considered Good : Unsecured</b>		
<b>(i) Loans to Related Parties:</b>	-	-
<b>(ii) Others:</b>		
Staff Loans & Advances	0.49	0.43
<b>Total</b>	<b>0.52</b>	<b>0.50</b>

Foot Note:

(₹ in crore)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* represents loan or advance in the nature of loan

^ represents percentage to the total Loans and Advances in the nature of loans

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 10.3 Non-Current Assets – Other Financial Assets

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good : Unsecured</b>		
<b>Security Deposits</b>		
- Government Departments	0.01	0.01
- Others	0.53	0.53
<b>Contract Asset:</b>		
- Retention Money with Client	3.54	2.61
- Money Withheld by Client	-	-
- Construction cost incurred in terms of SCA {Refer foot note (i)}	1,260.68	1,266.92
Fixed Deposits having remaining maturity of more than 12 months {Refer foot note (ii)}	0.01	0.01
Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee) {Refer foot note (iii)}	3.27	2.90
Interest Accrued on Advances to Staff {Refer foot note (iv)}	0.27	0.25
Recoverable from Rail Land Development Authority (RLDA) {Refer foot Note (v)}	15.00	630.31
Less : Loan From Indian Railway Finance Corporation (IRFC) {Refer Note 20.1 (i) B}	- 15.00	(615.31) 15.00
<b>Total</b>	<b>1,283.31</b>	<b>1,288.23</b>

Foot Notes:-

(i) Construction Cost pertains to the Highway being made by the group under Hybrid Annuity Model (HAM).

(ii) Includes FDRs under Lien for ₹0.01 Crore (31st March 2022 : ₹0.01 crore)

(iii) ₹3.27 Crore as on 31st March 2022 (31st March 2022: ₹2.90 crore) represents fixed deposit pledged to Statutory Authorities/against 100% margin for BG issued to Ministry of External Affairs for Myanmar Road Project (FDR pledged to Statutory Authorities) in case of Ircon Infrastructure & Services Limited.

(iv) Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Amount due from directors included in interest accrued on staff loans and advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(v) The Group has raised a loan from Indian Railway Finance Corporation ("IRFC") (Refer note 20.1) which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group, at least five (5) days prior to their respective due date under the Loan Agreement, into such account as maybe designated by IRFC. RLDA and Ministry of railways ("MoR") shall mutually enter into appropriate arrangements for corresponding disbursement of funds from MoR to RLDA. The terms and conditions of this recoverable amount is same as in the case of the said loan.

Further under MOU, RLDA has transferred the leasehold rights in the Project site at Bandra East in favour of the Group, together with the rights to undertake commercial development thereon. The Group shall be entitled to appoint appropriate developer(s) through open, competitive and transparent bid process for the purposes of undertaking the commercial development of the Project Site, and for the purposes thereof further sub-lease the Project Site (together with all associated Development Rights) to the developers so identified by the Group.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 11. 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 2023 and 31 March 2022 are :

(₹ in crore)

S.No.	Particulars	For the Year ended	
		31st March 2023	31st March 2022
<b>1</b>	<b>Profit and Loss Section</b>		
	<b>Current income tax :</b>		
	Current income tax charge	241.28	186.15
	Adjustment in respect of current tax of previous year	(78.64)	(87.73)
	<b>Deferred tax :</b>		
	Relating to origination and reversal of temporary differences	(36.87)	(2.04)
	<b>Income tax expense reported in the Profit and Loss section</b>	<b>125.77</b>	<b>96.38</b>
<b>2</b>	<b>Other Comprehensive Income (OCI) Section</b>		
	<b>Income tax related to items recognised in OCI during the year:</b>		
	Net loss/(gain) on remeasurements of defined benefit plans	0.50	(0.20)
	Net loss/(gain) on foreign operation translation	3.25	1.56
	<b>Income tax expense reported in the OCI section</b>	<b>3.75</b>	<b>1.36</b>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

(₹ in crore)

S.No.	Particulars	For the Year ended	
		31st March 2023	31st March 2022
1	Accounting profit before income tax	905.82	694.06
2	Tax on Accounting profit	242.10	179.73
3	Effect of Tax Adjustments:		
	(i) Adjustments in respect of current income tax of previous years	(78.64)	(87.60)
	(ii) Utilisation of previously unrecognised tax losses	-	-
	(iii) Impact of Rate Difference	0.03	-
	(iv) Tax on Income exempt from tax	(37.38)	(20.07)
	(v) Non-deductible expenses for tax purposes:		
	-Other country additional tax	17.11	20.82
	-Other non-deductible expenses	7.02	4.86
	(vi) Tax effect of various other items	(20.72)	-
<b>4</b>	<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>129.52</b>	<b>97.74</b>
5	Effective Tax Rate	14.30%	14.08%

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

(₹ in crore)

S. No.	Particulars	Balance Sheet		Statement of Profit and Loss	
		31st March 2023	31st March 2022	31st March 2023	31st March 2022
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(193.98)	(179.41)	14.57	23.50
2	Provisions	117.14	88.78	(28.36)	(14.32)
3	Items disallowed u/s 43B of Income Tax Act, 1961	0.07	0.12	0.05	(0.11)
4	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	52.53	29.08	(23.45)	(2.75)
5	Business Losses	130.96	129.76	(1.20)	(8.57)
6	Preliminary Expenses and Others	2.68	4.20	1.52	0.21
	<b>Net deferred tax assets/(liabilities)</b>	<b>109.40</b>	<b>72.53</b>	<b>(36.87)</b>	<b>(2.04)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(d) Reflected in the balance sheet as follows:

(₹ in crore)

S.No.	Particulars	31st March 2023	31st March 2022
1	Deferred tax assets	303.38	251.94
2	Deferred tax liability	(193.98)	(179.41)
	<b>Deferred Tax Asset/(Liabilities) (Net)</b>	<b>109.40</b>	<b>72.53</b>

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<sup>st</sup> March 2023

(₹ in crore)

S.No.	Particulars	Balance As at 1st April 2022 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March, 2023 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(179.41)	(14.57)	-	(193.98)
2	Provisions	88.78	28.36	-	117.14
3	Items disallowed u/s 43B of Income Tax Act, 1961	0.12	(0.05)	-	0.07
4	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	29.08	23.45	-	52.53
5	Business Losses	129.76	1.20	-	130.96
6	Preliminary Expenses and Others	4.20	(1.52)	-	2.68
	<b>Net deferred tax assets/(liabilities)</b>	<b>72.53</b>	<b>36.87</b>	-	<b>109.40</b>

As at 31<sup>st</sup> March 2022

(₹ in crore)

S. No.	Particulars	Balance As at 1st April 2021 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March, 2022 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(155.91)	(23.50)	-	(179.41)
2	Provisions	74.46	14.32	-	88.78
3	Items disallowed u/s 43B of Income Tax Act, 1961	0.01	0.11	-	0.12
4	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	26.33	2.75	-	29.08
5	Business Losses	121.19	8.57	-	129.76
6	Preliminary Expenses and Others	4.41	(0.21)	-	4.20
	<b>Net deferred tax assets/(liabilities)</b>	<b>70.49</b>	<b>2.04</b>	-	<b>72.53</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 12. Other Non-Current Assets

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good</b>		
<b>a) Capital Advances</b>		
Capital Advance to Contractor	41.49	-
<b>b) Advances Other than Capital Advances</b>		
Advances to Contractors against Material and Machinery	88.22	-
Advances to Contractors, Suppliers and Others	0.60	-
Interest Accrued on :		
- Advances to Contractors, Suppliers & Others	3.00	30.00
Prepaid Expenses	-	0.03
Fair valuation adjustment	0.12	-
<b>Total</b>	<b>133.43</b>	<b>30.03</b>

#### 13. Inventories

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated)		
- In Hand	22.69	22.75
- With Third Parties	15.61	33.76
- In Transit	-	3.31
Others (Scrap)	0.31	0.59
Construction Work In progress (at Cost)	173.22	216.18
<b>Total</b>	<b>211.83</b>	<b>276.59</b>

#### 14. Current Assets – Current Financial Assets

##### 14.1 Current Financial Assets – Investments

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Investment in Bonds (Quoted, at Amortised cost)</b>		
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each (31 March 2022 : Nil)	-	50.00
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of ₹1,000 each (31 March 2022 : Nil units)	50.00	-
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each (31 March 2022 : Nil units)	49.99	-
<b>Total</b>	<b>99.99</b>	<b>50.00</b>
<b>Aggregate Book Value of Quoted Investments</b>	<b>99.99</b>	<b>50.00</b>
<b>Aggregate Market Value of Quoted Investments</b>	<b>109.93</b>	<b>55.23</b>
<b>Aggregate Book Value of Unquoted Investments</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of Impairment in Value of Investments</b>	<b>-</b>	<b>-</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 14.2 Current Financial Assets – Trade Receivables

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured, considered good	-	-
Unsecured, considered good (Refer Foot Note (i))	893.72	706.14
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	31.27	19.59
<b>Impairment Allowance (allowance for bad and doubtful debts):</b>		
Unsecured, considered good	(29.89)	(10.95)
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables – credit impaired	(31.27)	(19.59)
<b>Total</b>	<b>863.83</b>	<b>695.19</b>

##### Foot Notes : –

- (i) Includes Receivables from related parties ₹228.43 crore (As at 31st March 2022 : ₹120.27 crore) and are disclosed in Note 37 (c) 4.1.
- (ii) Trade Receivable Ageing Schedule for the year ended as at 31st March 2023 and 31st March 2022

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	395.86	260.67	70.14	115.06	21.43	28.57	<b>891.73</b>
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-	1.99	<b>1.99</b>
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	3.47	2.91	6.12	3.84	14.93	<b>31.27</b>
<b>Impairment Allowance</b>	<b>-</b>	<b>395.86</b>	<b>264.14</b>	<b>73.05</b>	<b>121.18</b>	<b>25.27</b>	<b>45.49</b>	<b>924.99 (61.16)</b>
<b>Total</b>								<b>863.83</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	296.38	182.62	100.59	39.62	46.45	38.49	704.15
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-	1.99	1.99
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	19.59	19.59
<b>Impairment Allowance</b>	-	<b>296.38</b>	<b>182.62</b>	<b>100.59</b>	<b>39.62</b>	<b>46.45</b>	<b>60.07</b>	<b>725.73</b> <b>(30.54)</b>
<b>Total</b>								<b>695.19</b>

### 14.3 Current Financial Assets – Cash and Cash equivalents

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
Cash in hand		0.09	0.10
Cheques/drafts in hand		-	-
Remittance in Transit		13.61	-
Balances with banks:			
- On current accounts	(ii), (iii), (iv), (ix), (x), (xi), (xii), (xiii), (xiv) & (xv)	417.51	874.43
- Flexi Accounts	(i) (ii) (iii) & (iv)	282.84	282.35
- Deposits with original maturity of less than 3 months	(i), (v), (xi) & (xiv)	1,624.06	100.89
<b>Total</b>		<b>2,338.11</b>	<b>1,257.77</b>

### 14.4 Current Financial Assets – Other Bank Balances

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
<b>Other Bank Balances</b>			
- Deposits with original maturity of more than 3 months but less than 12 months	(i), (v) & (vii)	2,783.87	4,253.35
- Deposits with original maturity of more than 3 months but less than 12 months (Bank Guarantee)	(vi)	-	-
<b>Earmarked Balances:</b>			
- CSR Bank Account		0.17	0.18
- Dividend Distribution Account	(viii)	0.41	1.91
<b>Total</b>		<b>2,784.45</b>	<b>4,255.44</b>

#### Foot Notes (Note 14.3 and 14.4) :-

- (i) Includes Clients Fund of ₹3130.67 crore (As at 31st March 2022 : ₹3,291.29 crore) on which interest is passed on to them. Also, includes Project Fund against trade payable ₹811.42 crore (31st March 2022: ₹1,010.33 crore)
- (ii) Includes ₹2.78 crore (As at 31st March 2022 : ₹1.50 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon PB Tollway Limited.
- (iii) Includes ₹60.73 crore (As at 31st March 2022 : ₹1.59 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Shivpuri Guna Tollway

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

- Limited. Further, it also includes, ₹10 Crore (As at 31st March 2022 : Nil) earmarked amount as Lien for Major Maintenance Reserve account as per terms of Loan Agreement with SBI.
- (iv) Includes Clients Fund of ₹19.23 crore (As at 31st March 2022 : ₹32.57 crore) in respect of Ircon Infrastructure & Services Limited on which interest is passed on to them.
- (v) Includes Client fund of ₹58.30 crore (As at 31st March 2022 : ₹56.21 crore) in respect of Ircon Infrastructure & Services Limited on which interest is passed on to them.
- (vi) Represents fixed deposit placed against Bank Guarantee issued to Ministry of External Affairs for Myanmar Road Project of Ircon Infrastructure & Services Limited ₹Nil (As at 31st March 2022 : Nil).
- (vii) Includes deposits of ₹26.46 crore (As at 31st March 2022 : 26.46 crore) of Ircon Davanagere Haveri Highway Limited which is under lien with the Punjab National Bank and ₹35.78 crore (As at 31st March 2022: Nil) are earmarked funds as per concession agreement entered with NHAI.
- (viii) Includes TDS Payable on Interim Dividend of ₹Nil (As at 31st March 2022 : ₹1.57 crore)
- (ix) Includes ₹33.62 crore (As at 31st March 2022 : ₹1.14 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Vadodara Kim Expressway Limited.
- (x) Includes ₹0.01 crore (As at 31st March 2022 : ₹1.11 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Gurgaon Rewari Highway Limited.
- (xi) Includes ₹14.34 crore (As at 31st March 2022 : ₹5.10 crore) balance are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Davanagere Haveri Highway Limited.
- (xii) Includes ₹0.04 crore (As at 31st March 2022 : ₹0.04 crore) balance are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Akloli-Shirsad Expressway Limited.
- (xiii) Includes ₹0.05 crore (As at 31st March 2022 : ₹0.05 crore) balance are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Bhoj Morbe Expressway Limited.
- (xiv) Includes ₹0.45 crore (As at 31st March 2022 : ₹0.04 crore) balance are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Haridwar Bypass Limited.
- (xv) Includes ₹0.12 crore (As at 31st March 2022 : ₹0.04 crore) balance are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Ludhiana Rupnagar Highway Limited .

### 14.5 Current Financial Assets – Loans

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.05	0.08
<b>B. Considered Good : Unsecured</b>		
Staff Loans & Advances (Refer Foot Note (i))	0.79	0.72
<b>Total</b>	<b>0.84</b>	<b>0.80</b>

#### Foot Note:

- (i) Loan or advances in the nature of Loans granted to related parties:

(₹ in crore)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* represents loan or advance in the nature of loan

^ represents percentage to the total Loans and Advances in the nature of loans

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 14.6 Current Assets – Other Financial Assets

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
<b>Considered Good : Unsecured</b>			
Security Deposits			
– Government Departments		1.74	3.20
– Others		141.53	150.05
Contract Asset:			
– Billable Revenue / Receivable not due	(i) (a) & (b)	375.31	251.87
– Construction Work in Progress (At realisable value)	(i) (b)	482.03	208.47
– Construction cost incurred in terms of SCA	(ii)	278.35	82.86
– Retention Money with Client	(iii)	185.93	119.24
– Money Withheld by Client	(iii)	230.71	319.38
Earnest Money Deposit		0.74	1.66
Fixed deposits having remaining maturity of less than 12 months		25.49	4.30
Fixed deposits having remaining maturity of less than 12 months (Bank Guarantee)	(iv)	–	0.27
Interest Accrued on :			
– Advance to Staff	(v)	0.13	0.22
– Loans to Related Parties		10.87	10.06
– Advances to Rail Land Development Authority (RLDA)		59.65	109.77
Less : Interest Accrued on Loan from Indian Railway Finance Corporation (IRFC)	(vi)	(51.89)	(103.81)
– Deposits with Banks		60.33	40.19
– Bonds		15.55	17.21
<b>Share Application Money pending Allotment :</b>			
"Indian Railway Stations Development Corporation Limited – 301 equity shares of ₹10 each (31 March 2022 : 301) "		–	–
Other Recoverable :			
(a) Recoverable from Related Parties (Joint Ventures)			
– International Metro Civil Contractor		3.49	3.45
– Metro Tunnelling Group		1.88	1.84
– Indian Railway Station Development Corporation Limited		0.09	1.03
– IRCON – AFCON JV		0.60	0.64
– Chhattisgarh East Railway Limited		0.29	0.22
– Bastar Railway Private Limited		0.02	0.02
– Mahanadi Coal Railway Limited		2.93	1.32
– Jharkhand Central Railway Limited		0.07	0.10
– Express Freight Consortium		1.68	1.10
(b) Recoverable from Rail Land Development Authority (RLDA)		619.95	639.95
Less : Loan From Indian Railway Finance Corporation (IRFC)	(vi)	(615.31)	(615.31)
(c) Claims Recoverable from Clients		80.33	43.88
(d) Advance Lease Rent		0.12	16.97
(e) Interest Recoverable on Financial Asset under SCA		34.54	17.70
(f) Others		21.30	0.89
<b>Considered Doubtful : Unsecured</b>			
<b>Security Deposits</b>			
– Government Departments		0.01	0.12
– Others		0.13	0.17
Earnest Money Deposit		0.16	0.16
<b>Contract Asset:</b>			
– Retention Money with Client		4.28	4.28
– Money Withheld by Client		2.67	2.67
Recoverable from Ircon Soma Tollway Pvt. Ltd.		0.05	0.05
Recoverable from Rail Land Development Authority (RLDA)		25.81	5.81
Claims Recoverable from Clients		2.25	2.26
Less : Impairment allowance for doubtful financial assets		(35.36)	(15.52)
<b>Total</b>		<b>1,968.45</b>	<b>1,328.74</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### Foot Notes : –

- (i) (a) Includes Value of work amounting to ₹184.73 crore (As at 31st March 2022 : ₹188.44 crore) certified by client, but not billed by reporting date.  
 (b) Includes Receivables from related parties ₹240.11 crore (As at 31st March 2022 : ₹254.50 crore) and are disclosed in Note : 37 (c) 4.2(a)
- (ii) Construction Cost pertains to the Highway being made by the Group under Hybrid Annuity Model (HAM).
- (iii) Includes Receivables from related parties ₹17.27 crore (As at 31st March 2022 : ₹5.32 crore) and are disclosed in Note : 37 (c) 4.2 (b)
- (iv) Represents ₹Nil as at 31st March 2023 (As at 31st March 2022 : ₹0.27 crore) fixed deposit placed against Bank Guarantee issued to Haryana vishwakarma Skill University in case of Ircon Infrastructure & Services Limited.
- (v) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are ₹Nil ((31st March 2022 : ₹Nil).
- Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Amount due from directors included in interest accrued on staff loans and advances	–	–
<b>Total</b>	<b>–</b>	<b>–</b>

- (vi) Refer Note 10.3(v), 20.1 (i) B (d) and 23.1

### 15. Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	164.87	70.73
<b>Current tax Assets (Net)</b>	<b>164.87</b>	<b>70.73</b>

### 16. Other Current Assets

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good : Unsecured</b>		
<b>Advances Other than Capital Advances</b>		
Advances to Contractors against Material and Machinery	176.54	189.13
Advances to Contractors, Suppliers and Others	1,262.61	1,118.59
Advance Recoverable from:		
– Sales Tax (including TDS)	321.92	321.17
Less : Deposited under Protest	(217.05)	(217.05)
– Value Added Tax	80.47	79.41
– Goods & Services Tax	1,021.92	736.10
– Building Cess	1.53	–
– Service Tax Input Credit	0.01	0.01
Security Deposits	44.28	41.30
<b>Interest Accrued on:</b>		
– Deposits & Advances with Contractors, Suppliers & Others	79.64	36.89
Prepaid Expenses	12.39	10.59
Others	0.01	0.01
<b>Considered Doubtful : Unsecured</b>		
Advances to Contractors, Suppliers and Others	16.99	16.99
Sales Tax (including TDS)	30.00	35.04
Value Added Tax	9.88	9.88
Less: Impairment allowance for doubtful advances	(56.87)	(61.91)
<b>Total</b>	<b>2,784.27</b>	<b>2,316.15</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 17. Assets held for sale

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
Assets held for sale	(i) and (ii)	0.71	1.39
<b>Total</b>		<b>0.71</b>	<b>1.39</b>

#### Foot Note:

(i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realizable value and book value) :-

(₹ in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
					Gross Block	Net Block	Gross Block	Net Block
<b>Plant and Machinery</b>								
Northern Region	Plant and Machinery (Noida Workshop)	Through e-auction like MSTC with expected time of disposal by end of year 2024	-	Domestic : PMD Division	-	-	0.78	0.04
Northern Region	Plant and Machinery (DMRC CE 6)	Through e-auction like MSTC with expected time of disposal by end of year 2024	-	Domestic	0.19	0.01	0.19	0.01
Malaysia Region	Locomotives - 2 No. (4 No.)	Open Tender	2.40	International	-	-	0.08	0.08
Ircon Infrastructure and Services Limited	Plant and Machinery	Through e-auction with expected time of disposal by end of year 2024	-	Domestic	1.12	0.70	1.12	1.12
<b>Office Equipments</b>								
Malaysia Region	28 Items (NIL) of Office Equipments, 17 No. (NIL) of Air conditioners & 68 Items (NIL) of Electrical Appliances	Limited Tender	-	International	-	-	0.03	-
<b>Furniture &amp; fixtures</b>								
Malaysia Region	79 Items of Furnitures	Limited Tender	-	International	-	-	0.01	-
<b>Freehold Building - Residential</b>								
Southern Region (Refer Note (iii))	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	-	-	0.19	0.14
<b>Total</b>					<b>1.31</b>	<b>0.71</b>	<b>2.40</b>	<b>1.39</b>

(ii) Property Plant & Equipment classified as Held for Sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification. Accordingly, impairment loss of ₹0.42 crore (March 2022 : Nil) has been provided for.

(iii) During the Financial Year 2022-23, Freehold Building - Residential at Chennai transferred to plant, property & Equipment on being criteria stated by Ind AS 105 are no longer met.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 18. Equity Share Capital

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised Share Capital</b>		
200,00,00,000 Equity shares of ₹2 each (200,00,00,000 Equity shares of ₹2 each as at 31st March 2022)	400.00	400.00
	<b>400.00</b>	<b>400.00</b>
<b>Issued/Subscribed and Paid up Capital</b>		
94,05,15,710 Equity shares of ₹2 each-fully paid (Refer Note 18 (f)) (94,05,15,710 Equity shares of ₹2 each-fully paid as at 31st March 2022)	188.10	188.10
	<b>188.10</b>	<b>188.10</b>

#### (a) Details of Shareholders holding more than 5% of fully paid-up equity shares:

Name of the shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Government of India in the name of the President of India and Government nominees (Refer note 18 (f))	68,83,01,650	73.18%	68,83,01,650	73.18%

#### (b) Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31st March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share
Equity shares allotted other than cash	-	-	-	-	-	-
Equity shares issued as bonus shares	-	47,02,57,870	-	-	-	-
Equity shares Buy Back	-	-	-	-	-	49,28,426
<b>Total</b>	<b>-</b>	<b>47,02,57,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,28,426</b>

In FY 2017-18, Department of Investment and Public Asset Management (DIPAM) had instructed the Holding Company to buy back shares to the extent of 5% of paid up capital. Total shares proposed to be bought back was 49,41,818 in numbers at book value of these shares. Board of Directors at its 236<sup>th</sup> meeting dated 21.09.2017 approved proposal to buy back by the holding company of its fully paid up equity shares of ₹10 each not exceeding 49,41,818 shares from the existing shareholders. As on the closing date of submission of offer i.e. 04.12.2017 offer for 49,28,426 shares held by Govt. of India was received.

#### (c) Terms / Rights attached to Equity Shares :

##### (i) Voting

The Group has only one class of equity shares having a par value of ₹2 per share. Each holder of equity share is entitled to one vote per share.

##### (ii) Liquidation

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

##### (iii) Dividend

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	94,05,15,740	188.10	47,02,57,870	94.05
Add: Increase in the number of Shares on account of issue of bonus shares (Refer Note 18 (f))	-	-	47,02,57,870	94.05
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	94,05,15,740	188.10	94,05,15,740	188.10

(e) Details of shares held by promoters/promoter group

Particulars	Shares held by Promoter as at 31st March, 2023			Shares held by Promoter as at 31st March, 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Government of India in the name of the President of India and Government nominees	68,83,01,650	73.18%	-	68,83,01,650	73.18%	-

(f) The Board of Directors of Ircon International Limited in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of ₹2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Group is ₹188,10,31,480 divided into 94,05,15,740 equity shares of ₹2/- each.

## 19. Other Equity

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Retained Earnings	1,724.62	1,188.40
General Reserve	3,284.64	3,284.64
Capital Redemption Reserve	4.93	4.93
Other Comprehensive Income	9.20	(0.45)
<b>Total</b>	<b>5,023.39</b>	<b>4,477.52</b>

i) Movement as per below:

(a) Retained Earnings

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Opening Balance</b>	<b>1,188.40</b>	<b>1,024.61</b>
Transfer from surplus in statement of profit and loss	765.23	592.34
Dividend declared and paid during the year	(61.13)	(159.89)
Interim Dividend	(169.29)	(174.00)
Issue of Bonus Shares	-	(94.05)
Re-measurement of defined benefit plans (net of tax)	1.44	(0.60)
Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax)	(0.03)	(0.01)
<b>Closing Balance</b>	<b>1,724.62</b>	<b>1,188.40</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(b) General Reserve

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening and Closing Balance	3,284.64	3,284.64

(c) Capital Redemption Reserve

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening and Closing Balance	4.93	4.93

(d) Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance	(0.45)	(5.10)
Foreign Currency Translation (net of tax) during the year	9.65	4.65
<b>Closing Balance</b>	<b>9.20</b>	<b>(0.45)</b>
<b>Grand Total (a+b+c+d)</b>	<b>5,023.39</b>	<b>4,477.52</b>

ii) Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Group.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein 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 Group.

(c) Capital Redemption Reserve

The Holding Company has created Capital Redemption Reserve out of the profits after Buy Back of shares on 26th December 2017.

(d) Other Comprehensive Income

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

iii) Dividend Distribution

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Cash dividends on equity shares declared / paid:</b>		
Final Dividend of FY 2021-22 paid during 2022-23: ₹0.65 per share (Paid during FY 2021-22: ₹1.70 per share)	61.13	159.89
Interim dividend paid during 2022-23: ₹1.80 per share (FY 2021-22: ₹1.85 per share)	169.29	174.00
	<b>230.42</b>	<b>333.89</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

### iv) Dividends not recognised at the end of the reporting year

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting :		
Dividend for 31 March 2023: ₹1.20 per share (31 March 2022: ₹0.65 per share)	112.86	61.13
<b>Total</b>	<b>112.86</b>	<b>61.13</b>

### 19A. Non-controlling interest

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Opening Balance</b>	<b>1.13</b>	<b>-</b>
Share of Equity Share Capital	-	1.20
Share of Deemed Equity (Interest free loan)	12.00	-
Share of profit/ (loss) for the year	-	(0.07)
Share of Other Comprehensive Income for the year	-	-
<b>Closing Balance</b>	<b>13.13</b>	<b>1.13</b>

## 20. Non-Current Liabilities – Non-Current Financial Liabilities

### 20.1 Non-Current Financial Liabilities – Borrowings

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Loan From Banks:</b>		
<b>Secured:</b>		
Loan From Punjab National Bank {Refer Foot Note (i) A below}	300.17	325.29
Loan From Bank of Baroda {Refer Foot Note (i) A below}	651.38	486.06
Loan From Indian Overseas Bank {Refer Foot Note (i) A below}	-	-
Loan From State Bank of India {Refer Foot Note (i) A below}	488.78	493.06
<b>Loan From Others:</b>		
<b>Unsecured:</b>		
Loan From Indian Railway Finance Corporation (IRFC) {Refer Foot Note (i) B below}	-	615.31
Less: Recoverable from Rail Land Development Authority (RLDA) {Refer Note 10.3}	-	(615.31)
<b>Total</b>	<b>1,440.33</b>	<b>1,304.41</b>

#### Foot Notes :

#### i) Details of Repayment terms, Rate of Interest and Security disclosure :

##### A Secured borrowings from banks:

##### Loan from Punjab National Bank (Pertaining to Ircon Davangere Highway Limited)

##### Sanction :- 502.76 Crore

The opening balance as on 1-4-22 was for ₹344.13 crore . Out of the closing balance of ₹325.29 crore as on 31st March 2023, ₹25.12 crore has been shown as current maturities of the Loan under Borrowings – Current (Refer Note 23.1)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended 31<sup>st</sup> March 2023

### Terms and Conditions

- Interest rate to be charged on loan shall be at 1 Month MCLR +0.30% as applicable subject to change from time to time.
- Repayment period will be 10 years and 6 months (Starting w.e.f 24.04.2021 and last instalment on 24.07.2031).
- Term loan shall be repaid in 42 Quarterly instalments starting from 24th April 2021.
- Interest shall be paid as and when due.
- Term Loan to be backed by unconditional & irrevocable corporate guarantee of holding Company (rated CARE AAA) upto receipt of 1st annuity from NHAI or COD plus 180 days whichever is later.

### Details of Security:

- First charge by way of hypothecation of all fixed asset/ movable assets of the subsidiary company (Other than project assets; Except those acquired out of the free flow of the company in operation phase) and being informed from time to time to lender.
  - First charge on the book debts of the project, Operating cash flow, Receivables, Commission, Revenues of whatsoever nature and wherever arising, Present and future intangibles, goodwill and uncalled capital (Present and future).
  - A first charge on projects bank account, including but not limited to the escrow account opened in designated bank, where all cash inflow from the project shall be deposited and proceeds shall be utilised in a manner and priority to be decided by lender and investors.
  - Assignment of all group's rights and interest under all the agreement related to project, letter of credit (if any), and guarantee and performance bond provided by any party for any contract related to the project in favor of borrower.
  - Substitution agreement executed by authority on behalf of lender for the facility.
  - Assignment of all applicable insurance policies.
- There has been no default in repayment of any of the loans or interest thereon as at the end of the year. The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

### Loan From Bank of Baroda (Pertaining to Ircon Vadodara Kim Expressway Limited)

#### Sanction :- 724.12 Crore

The opening balance as on 1-4-22 was for ₹499.86 crore . Out of the closing balance of ₹655.16 crore as on 31st March 2023, ₹34.48 crore has been shown as current maturities of the Loan under Borrowings – Current (Refer Note 23.1)

### Terms and Conditions

- Interest rate to be charged on loan shall be at 1 Year MCLR without Strategic Premium i.e. presently 8.20% p.a payable on Monthly rests.
- Moratorium of 7 months from the date of COD. The Subsidiary Company achieved provisional completion certificate i.e. Provisional COD. On request of Subsidiary Company, Bank of Baroda made the subsequential shift in repayment schedule on 01.11.2022. Now, next repayment Schedule is Starting w.e.f 25.03.2024 and last instalment on 25.03.2033.
- Term loan shall be repaid in 21 half yearly instalments.
- Interest shall be paid as and when debited.
- Corporate Guarantee of the Promoter i.e. Holding Company (AAA Rated) shall be available till the receipt of 1st annuity from NHAI (till 180 days from COD).

### Details of Security:

- A first mortgage and charge in favour of the Lenders/Security Agent for the benefit of the Lenders in a form satisfactory to the Lenders, of all the Borrower's immovable properties, if any both present and future, save and except Project Assets; a first charge in favour of Lender/ Security Agent for the benefit of the Lenders of all the Borrower's moveable properties, both present and future, save and except the Project Assets.
- A first charge on all the Borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets and current assets, both present and future, save and except the Project Assets.
- A first charge on all the bank accounts including but not limited to the Escrow Account opened in a designated bank and DSRA to be established by the subsidiary company, where all cash flows from the Project shall be

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

deposited, and the sub Account (or any account in substitution thereof) that may be opened in accordance with this agreement and supplementary Escrow Agreement or any other Project Agreement, provided such first charge shall only be to the extent permitted as per the waterfall of priorities prescribed under Escrow Agreement and Concession Agreement;

- (d) A first charge on all revenues and receivables of the Borrower from the Project or Otherwise, Project's book debts, operating cash flows, commissions or revenues of whatever nature, after such revenues and receivables are deposited in the Escrow Account. Provided that such charge as mentioned herein shall arise only after the proceeds and/or realization on any such revenues and receivables are credited to and enters the Escrow Account and thereafter shall only be utilized to the extent permitted as per the waterfall priorities under the Escrow Agreement and Concession Agreement;
- (e) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favor of subsidiary company and insurance policies etc.;
- (f) A first charge by way of assignment/agreement in favor of lenders over all the rights, title and interests of the Borrowers related to the Project from all contracts, insurances, licenses in to and under all Project Agreement (including the Concession Agreement) to which the Borrower is party to including contractor guarantees, liquidated damages, letter of credit, performance bond, guarantee and all other contracts relating to the Project, provided such charge shall be limited to and to arise to the extent provided under Substitution Agreement;
- (g) A first charge/assignment/ security interest on company rights under concession agreement in favor of lenders of all rights, title, interests, benefits, claims, uncalled capital and demands whatsoever of company in any letter of credit, performance bond, guarantee provided by any party to project documents;
- (h) A first charge on intangible assets of borrower but not limited to goodwill present and future save and except the Project Assets. Provided that any realization there of shall be credited to the Escrow Account and the charges as aforesaid shall be limited to the extent permissible under the water fall priorities of the Concession Agreement and the Escrow Agreement;
- (i) Assignment of all applicable insurance policies

There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms

#### Loan From Bank of Baroda (Pertaining to Ircon Akloli-Shirsad Expressway Limited)

##### Sanction :- 686.37 Crore

The Subsidiary Company has entered into a term loan agreement during the financial year 2022-23 with Bank of Baroda to finance the project for an amount of ₹686.37 Crore. During the financial year 2022-23, disbursement of ₹30.70 Crore (31 March 2022: Nil) has been received and shown above. The terms and conditions and detail of security are as under:

##### 1) Details of Terms and Conditions:

- (i) Interest rate to be charged on loan shall be Overnight MCLR without Strategic Premium +0.09% with monthly rest. Presently, applicable interest rate is 7.99% p.a.
- (ii) Moratorium of 6 months from the date of PCOD/COD.
- (iii) Term Loan shall be repayable in 26 structured semi-annual instalments commencing after 6 months end (moratorium) in which COD/ PCOD is achieved.
- (iv) Interest shall be paid as and when debited. MCLR/Spread shall be subject to reset as and when it changes.
- (v) Corporate Guarantee of the Holding Company (AAA Rated) shall be available till the receipt of 1st annuity from NHAI or COD + 180 days, whichever is later.

##### 2) Details of Security:

The facility together with all interest, fees, commission and other monies whatsoever stipulated and due to the lender shall be secured, to the extent permitted under the Concession Agreement by:

- (a) A first mortgage and charge on all the Borrower's immovable properties (if any), both present and future, save and except Project Assets;

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

- (b) A first charge on all the Borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- (c) A first charge over all accounts of the Borrower including the Escrow Account and Sub-accounts (or any account in substitution thereof) that may be opened in accordance with the Concession Agreement, Facility Agreement, Escrow Agreement and the Supplementary Escrow Agreement or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and or other securities, provided that the same being applied to the extent of waterfall of priority of payments as specified in the Concession Agreement and the Escrow Agreement and not beyond that; and all the charge over the Receivables shall be enforceable by the Senior Lenders for the purpose of ensuring that the Receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payments as specified in the Concession Agreement and the Escrow Agreement and not beyond that.
- (d) A first charge over all intangible assets of the Borrower including but not limited to goodwill, rights, undertakings, and uncalled capital present and future excluding the Project Assets (Provided that all the amount received on account of any of these shall be deposited in the Escrow Account and the charges on the same shall be subject to the extent permissible as per priority specified in the Concession Agreement and the Escrow Agreement). Further, a charge on the uncalled capital, as set in above, shall be subject however to the provisions of Concession Agreement:
- (e) A first charge or assignment by way of Security in :
- all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under the Project Documents;
  - the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the Approvals;
  - all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; and
  - all the right, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the Insurance Contracts;
- (h) DSRA: DSRA for to 3 month's interest and one principal instalment.

The entire Security (including execution of Escrow and Substitution agreement) shall be created upfront prior to the disbursement and perfected prior to disbursement.

3) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

4) The Subsidiary Company has used the borrowings from banks for the purposes for which they were taken.

#### Loan From Indian Overseas Bank (Pertaining to Ircon Gurgaon Rewari Highway Limited)

**Sanctioned Amount:-** The limits sanctioned for the project was ₹309.68 ( In Crores) w.e.f sanctioned letter received on 12.05.2021 from Indian Overseas Bank; but amount of ₹0.002 Crore are disbursed from the sanctioned amount.

As on the reporting date there is no default in the servicing of the term loan or the interest thereto. Further, the subsidiary company has registered the charge on its assets with the Registrar of Companies as required under the loan sanction and as per the provisions of Companies Act 2013. Also subsidiary company has not filed any quarterly return / statements of asset as the same was not required by bank.

##### Terms and Conditions

- (i) The loan is repayable in 21 structured half yearly instalments in 10.5 years starting from 1st April 2024 with the last instalment scheduled on 30th September 2034
- (ii) Interest rate shall be at 1 Year MCLR (6.85%) +0.15% Spread i.e. 7.00% p.a. presently subject to change based on MCLR.
- (iii) Term Loan is backed by unconditional & irrevocable corporate guarantee of the holding company.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### Details of Security:

- Exclusive charges by way of hypothecation of all Property, Plant and Equipment/ movable assets of the subsidiary company;
- Exclusive charge on the project's book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital (Present and future);
- Exclusive charge on projects bank account, including but not limited to the escrow account, where all cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the bank/ investors;
- Assignment of all subsidiary company's rights and interest under all the agreements related to project, letter of credit(if any), and guarantee and performance bond provided by any party for any contract related to the project in favor of lender;
- Borrower has to maintain DSRA equivalent to ensuing one half yearly instalment and three month interest payment to created upfront upon COD in the form of term deposit / BG.

### Loan From State Bank of India (Pertaining to Ircon Shivpuri Guna Tollway Limited)

The Subsidiary Company has availed a term loan of ₹501 crore from State Bank of India in March 2022 by Loan agreement dated 17th February 2022. The opening balance as on 1-4 22 was for ₹499.86 crore. Out of this amount ₹6.80 Crore was paid during the year Financial year 2022-23. Out of the closing balance of ₹493.06 crore as on 31st March 2023, ₹4.28 crore has been shown as current maturities of the Loan under Borrowings – Current (Refer Note 23.1)

### Terms and Conditions

- Term Loan shall be repaid in 11.5 years upto 30.09.2033, in quarterly instalments as per the schedule mentioned in the Loan agreement.
- The Applicable Interest rate is base rate of SBI 3 month MCLR plus spread of 0.25% w.e.f 28.03.2022.
- An unconditional corporate guarantee by the promoter in favour of the Security trustee and an irrevocable and unconditional undertaking from the Promoter, to cover any shortfall in the loan and other conditions as mentioned in the Loan agreement dated 17.02.2022

### Details of Security:

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

- first charge on all the Borrower's tangible movable assets pertaining to the Project;
- a first charge over all accounts of the Borrower pertaining to the Project including the Escrow Accounts and the sub-accounts (or any account in substitution thereof) or any other bank account that may be opened in accordance with this Agreement ;
- a first charge on all intangibles assets pertaining to the Project including but not limited to goodwill, rights, undertaking and uncalled capital present and future ;
- Assignment/Charge by way of Security in the following, both present and future:
  - all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents;
  - the right, title and interest of the Borrower in, to and under all the Clearances;
  - all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Borrower pursuant to the Project Documents;
  - all the right, title, interest, benefits, claims and demands whatsoever of the Borrower under all Insurance Contracts pertaining to the Project;

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

The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

₹ 10 Crore has been earmarked as Lien for Major Maintenance reserve account as per terms of Loan Agreement with SBI.

### B Unsecured borrowings from Others:

#### (a) Terms and Conditions of the Unsecured Loan :

The Group has raised a loan from Indian Railway Finance Corporation ("IRFC") of ₹3200 crore as on 28th March 2018 which in turn have been paid to Railway Land Development Authority "RLDA" in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group. The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019 (Refer Note 10.3 (Foot Note (v)). Companies Act has been complied with for such transactions and the transactions are not violative of any applicable Act.

#### (b) Rate of Interest :

- The Group will pay interest on the principal amount of the Loan advanced and outstanding from time to time, at the rate of 8.77% (Eight point seven seven percent) per annum ("Applicable Interest rate") (exclusive of applicable interest tax, service tax and / or any such other taxes / levies / duties). such taxes / levies / duties, if any, applicable, shall be payable (in the same manner and time as the principal and interest) by the Borrower to the Lender over and above the rates specified above.
- The Applicable Interest Rate shall be fixed for currency of loan term.

#### (c) Termination of the Memorandum of Understanding (MOU)

Upon the occurrence of certain identified events the MOU would stand terminated, whereupon Ircon would be substituted by such entity as agreed to between IRFC, Ircon, RLDA & Ministry of Railways (MoR). MoR would be entitled to pre pay the entire outstanding under the Loan Agreement on termination of this agreement.

#### (d) Offsetting the Loan from IRFC and Recoverable from RLDA

As per para 2.4 of the Memorandum of understanding ("MOU") entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group. Group has a legally enforceable right to set off the loan liability regarding IRFC and recoverable from RLDA as per MOU and have the financial arrangement to settle the loan from IRFC with the proceeds realised from RLDA simultaneously. Accordingly, as per provision of Ind AS-32 amount recoverable from RLDA and loan from IRFC has been offset and the net amount presented in the balance sheet.

- The Group is not at default of either repayment of the loan or interest payment on the loans as on the Balance Sheet Date.

### 20.2 Non-Current Financial Liabilities – Lease Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	0.42	0.15
<b>Total</b>	<b>0.42</b>	<b>0.15</b>

### 20.3 Non-Current Liabilities – Other Financial Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Micro, Small & Medium Enterprises	-	-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 20.4 Non-Current Liabilities – Other Financial Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Deposits and Retention Money	681.10	522.30
Amount Payable to Client	-	-
<b>Total</b>	<b>681.10</b>	<b>522.30</b>

### 21. Provisions

(₹ in crore)

Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
Provision for Employee Benefits	21.1	119.72	105.92
Other Provisions	21.2	328.04	250.02
		<b>447.76</b>	<b>355.94</b>
<b>Current</b>		<b>299.19</b>	<b>212.66</b>
<b>Non Current</b>		<b>148.57</b>	<b>143.28</b>

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

#### 21.1 Provision for Employee Benefits :

- The provisions are created for the purpose of Gratuity, leave encashment, settlement allowance, post retirement medical benefits, performance related pay and leave travel concession.
- Disclosures as per Ind AS 19 'Employee benefits' are provided in Note 36.
- Movement in the carrying value of Provisions for Employee Benefits are provided as below:

(₹ in crore)

Particulars	Gratuity	Leave Salary*	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Performance Related Pay	Leave Travel Concession	Contribution to PF & Other Funds	Total
<b>As at 01-April-2022</b>	<b>0.05</b>	<b>69.83</b>	<b>1.20</b>	<b>4.64</b>	<b>27.59</b>	<b>0.11</b>	<b>2.50</b>	<b>105.92</b>
Current	-	9.22	0.16	4.64	27.59	0.01	2.50	<b>44.12</b>
Non Current	0.05	60.61	1.04	-	-	0.10	-	<b>61.80</b>
Provision made during the year	0.04	11.83	0.15	5.26	29.58	0.09	3.46	<b>50.41</b>
Less: Utilization during the year	(0.01)	(12.47)	(0.04)	(4.64)	(16.96)	-	(1.03)	<b>(35.15)</b>
Less: Write Back during the year	-	(0.06)	-	-	-	-	(1.47)	<b>(1.53)</b>
(Exchange Gain) / Loss	-	0.24	(0.17)	-	-	-	-	<b>0.07</b>
<b>As at 31-March-2023</b>	<b>0.08</b>	<b>69.37</b>	<b>1.14</b>	<b>5.26</b>	<b>40.21</b>	<b>0.20</b>	<b>3.46</b>	<b>119.72</b>
Current	-	7.84	0.15	5.26	40.21	0.02	3.46	<b>56.94</b>
Non Current	0.08	61.53	0.99	-	-	0.18	-	<b>62.78</b>

\* Includes ₹0.49 crore for employees posted on Foreign Projects on which leave salary provision has been made on actual basis.

#### 21.2 Other Provisions :

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows :

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

#### a) Demobilisation Provisions

The Group has made provision for demobilisation to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment in respect of foreign projects.

#### b) Maintenance Provisions

In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover Group's liability during defect liability period keeping into consideration the contractual obligations, obligations of the sub-contractor, operating turnover and other relevant factors. Further, provision for major maintenance is made in line with Maintenance Manual for operating of Toll Road.

#### c) Legal Cases

Provision for legal cases represents liabilities that are expected to materialise in respect of matters in courts, arbitrations and appeal.

#### d) Provisions for Other Expenses

Provision for other expenses represents expected tax liabilities in respect of indirect taxes and others.

#### e) Onerous Contracts

The Group has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 115 and Ind AS 37, the Group has to provide for these losses.

The provision is based on the estimate made by the management.

(₹ in crore)

Particulars	Demobilisation	Maintenance	Legal Cases	Other Expenses	Onerous Contracts	Total
<b>As at 01-April-2022</b>	<b>13.03</b>	<b>96.65</b>	<b>59.39</b>	<b>79.38</b>	<b>1.57</b>	<b>250.02</b>
Current	11.91	16.29	59.39	79.38	1.57	<b>168.54</b>
Non Current	1.12	80.36	-	-	-	<b>81.48</b>
Provision made during the year	0.63	69.35	9.83	0.50	35.62	<b>115.93</b>
Less: Utilization during the year	(0.02)	(0.36)	-	(17.01)	(10.38)	<b>(27.77)</b>
Less: Write Back during the year	-	(1.77)	-	(18.15)	-	<b>(19.92)</b>
(Exchange Gain) / Loss	1.07	2.41	-	1.02	-	<b>4.50</b>
Unwinding of discount	0.02	5.26	-	-	-	<b>5.28</b>
<b>As at 31-March-2023</b>	<b>14.73</b>	<b>171.54</b>	<b>69.22</b>	<b>45.74</b>	<b>26.81</b>	<b>328.04</b>
Current	<b>12.77</b>	<b>114.52</b>	<b>69.22</b>	<b>45.74</b>	-	<b>242.25</b>
Non Current	<b>1.96</b>	<b>57.02</b>	-	-	<b>26.81</b>	<b>85.79</b>

### 22. Other Non- Current Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>a) Contract Liability</b>		
Advance from Clients	746.38	501.69
<b>b) Others</b>		
Upfront Amount from Sub – leasing of MFCs	17.70	31.17
Lease Equalisation Liability	12.82	-
Others	0.05	1.10
<b>Total</b>	<b>776.95</b>	<b>533.96</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 23. Current Liabilities – Current Financial Liabilities

#### 23.1 Borrowings

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Current Maturities of Long-Term Debt :</b>		
<b>(i) Loan From Banks:</b>		
<b>Secured:</b>		
(a) Loan From Punjab National Bank (Refer Foot Note (ii))	25.12	18.84
(b) Loan From Bank of Baroda (Refer Foot Note (ii))	34.48	68.96
(c) Loan From State Bank of India (Refer Foot Note (ii))	4.28	6.80
<b>(ii) Loan From Others:</b>		
<b>Unsecured:</b>		
(a) Loan From Indian Railway Finance Corporation	615.31	615.31
Less : Recoverable from Rail Land Development Authority (Refer Foot Note (i))	(615.31)	(615.31)
<b>Total</b>	<b>63.88</b>	<b>94.60</b>

#### Foot Notes:

- (i) Refer Note 14.6 and 20.1 (i) B (d)  
(ii) Refer Note 20.1 (i) A

#### 23.2 Current Financial Liabilities – Lease Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	0.09	0.01
<b>Total</b>	<b>0.09</b>	<b>0.01</b>

#### 23.3 Current Financial Liabilities – Trade Payables

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Micro, Small & Medium Enterprises	13.18	5.36
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	817.64	1,021.88
<b>Total</b>	<b>830.82</b>	<b>1,027.24</b>

#### Foot Notes:

- a) Trade payables Ageing Schedule for the year ended as at 31st March, 2023 and 31st March 2022

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	5.10	2.94	5.14	-	-	-	<b>13.18</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises	127.00	77.11	586.07	10.92	0.88	14.84	<b>816.82</b>
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	0.05	0.04	0.14	0.59	<b>0.82</b>
<b>Total</b>	<b>132.10</b>	<b>80.05</b>	<b>591.26</b>	<b>10.96</b>	<b>1.02</b>	<b>15.43</b>	<b>830.82</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	2.93	0.24	2.19	-	-	-	<b>5.36</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises	753.67	29.89	215.92	3.22	1.10	15.72	<b>1,019.52</b>
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	0.03	-	0.04	0.14	0.21	1.94	<b>2.36</b>
<b>Total</b>	<b>756.63</b>	<b>30.13</b>	<b>218.15</b>	<b>3.36</b>	<b>1.31</b>	<b>17.66</b>	<b>1,027.24</b>

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Accrued on Secured Loan from bank {(Refer Foot Note (ii))}	0.15	0.10
Interest Accrued on Unsecured Loan from Indian Railway Finance Corporation	51.89	103.81
Less : Interest Accrued on Advances to Rail Land Development Authority {(Refer Foot Note (i))}	(51.89)	(103.81)
Gratuity Payable	7.17	4.69
Deposits, Retention Money and Money Withheld	1,618.61	1,187.18
Amount Payable to Client	592.04	917.91
Dividend Payable to Client	1.12	1.12
Interest Payable on Advance from Client	330.52	338.31
Other Payables (including Staff Payable)	197.27	178.79
<b>Total</b>	<b>2,746.88</b>	<b>2,628.10</b>

#### Foot Notes:

- (i) Refer Note 14.6 and 20.1 (i) B (d)  
(ii) Refer Note 20.1 (i) A

### 24. Other Current Liabilities

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>a) Contract Liability</b>		
Advance from Clients	2,828.23	3,071.25
– Less: Deposits under protest	(217.05)	(217.05)
Advance Contract Receipts	216.93	167.40
<b>b) Others</b>		
Statutory dues (Refer Foot Note (i))	451.02	271.90
Upfront Amount from Sub – leasing of MFCs	0.87	1.39
Lease Equalisation Liability	7.58	-
<b>Total</b>	<b>3,287.58</b>	<b>3,294.89</b>

#### Foot Notes:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 25. Current Tax Liability (Net)

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for tax (Net of Advance Tax)	36.95	18.01
<b>Total</b>	<b>36.95</b>	<b>18.01</b>

### 26. Revenue from Operations

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Contract Revenue	10,006.75	7,019.04
Revenue from Toll Operations	142.30	167.93
Group's share of turnover in Integrated Joint operations (unincorporated)	0.58	0.62
Machinery Hire Charges	4.55	13.54
MFC Leasing	27.87	14.34
Project Management Consultancy	165.23	141.98
Other Operating Revenue	20.65	22.22
<b>Total</b>	<b>10,367.93</b>	<b>7,379.67</b>

### 27. Other Income

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Interest on Tax Free Bonds</b>	19.53	21.96
Interest on Refund of Income-tax	17.23	0.50
Interest on Staff Advances	0.08	0.07
Interest on Financial Asset under SCA	126.93	36.91
Interest on loan to Related Parties (Refer Note (i))	0.90	0.79
Interest on Advances and Others	79.47	69.19
Less:- Other Interest Passed to Clients	(56.23)	(26.67)
Interest income on Unwinding of Financial Instruments	0.01	0.01
Bank Interest Gross	241.55	126.19
Less:- Interest passed to Clients	(70.50)	(43.62)
<b>Others :</b>		
Profit on Sale of Assets	2.49	1.07
Profit on Sale of Mutual Funds	0.32	2.18
Less: Profit on Sale of Mutual Fund Passed to Clients	-	(1.03)
Miscellaneous Income (Refer Note (ii))	16.44	18.49
Less: Insurance Claim Passed	-	18.49
Exchange Fluctuation Gain	227.51	-
Less: Exchange Fluctuation Loss	(223.77)	-
<b>Total</b>	<b>381.96</b>	<b>206.04</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Foot Notes:

### (i) Interest on loan to Related Parties:

(₹ in crore)

Particulars of Related Parties	2022-23	2021-22
- Chhattisgarh East-West Railway Limited	0.90	0.79
<b>Total</b>	<b>0.90</b>	<b>0.79</b>

(ii) Include Group's Share of Other Income in Integrated Joint operations (unincorporated) of ₹0.13 crore (FY 2021-22: ₹0.15 crore)

### 28 (i) Materials and Stores Consumed

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance		56.82	70.13
Add: Purchases during the year	(i)	373.65	498.86
		<b>430.47</b>	<b>568.99</b>
Closing Balance		(38.18)	(56.82)
<b>Total</b>		<b>392.29</b>	<b>512.17</b>

Foot Notes:

Includes Exchange gain/ (loss) of ₹(1.04) crore (As at 31st March 2022 : ₹(0.15) crore) on account of translation from functional currency to presentation currency.

### 28 (ii) (Increase) / Decrease in WIP

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance		216.18	50.04
Add: Adjustments during the year for Exchange gain/ (loss)		2.64	0.88
		<b>218.82</b>	<b>50.92</b>
Less: Closing Balance		(173.22)	(216.18)
<b>Total</b>		<b>45.60</b>	<b>(165.26)</b>

### 28 (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Work Expenses	(i)	8,528.31	5,905.66	-	-
Toll Operation and Maintenance Expenses		14.14	18.58	-	-
Design, Drawing, Business Development & Consultancy Charges		9.54	7.04	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		30.41	31.13	-	-
Repairs and Maintenance of Machinery		13.55	9.49	-	-
Hire charges of Machinery		12.45	12.55	-	-
Exchange Fluctuation Loss		-	-	-	54.52
Less:- Exchange Fluctuation Gain		-	-	-	(40.63)
Net Exchange Fluctuation Loss		-	-	-	13.89



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Rent – Non-residential		5.01	4.32	0.66	0.64
Rates and Taxes		66.12	20.72	0.61	0.62
Vehicle Operation and Maintenance		14.05	12.08	2.80	1.59
Repairs and Maintenance					
– Building		0.60	0.21	0.54	0.27
– Office and Others		5.27	3.94	8.01	5.84
Power, Electricity and Water Charges		6.00	5.71	2.05	1.91
Insurance		15.35	9.92	1.24	1.00
Travelling & Conveyance		12.73	7.92	2.55	1.58
Printing & Stationery		1.45	1.09	0.77	0.68
Postage, Telephone & Telex		1.24	1.08	0.34	0.33
Legal & Professional Charges		28.93	15.59	10.95	9.38
Security Services		1.47	1.53	0.72	0.70
Listing Expenses		–	–	0.06	0.20
Business Promotion		0.30	0.15	0.80	0.54
Write-off of :					
– Debts		0.81	0.43	–	–
– Advances		–	1.70	–	–
– Intangible Assets Under Development		–	–	–	–
– Other Assets		–	–	–	–
Loss on Sale of Assets/Stores		–	–	0.05	0.08
Loss on disposal of investments in joint venture accounted through equity method		–	–	–	5.11
Director's Sitting Fee		–	–	0.17	0.08
Donation		–	–	0.01	0.02
Auditor's Remuneration	(iii)	–	–	0.83	0.80
Advertisement & Publicity		–	–	2.48	2.02
Training & Recruitment		–	–	0.31	0.39
Corporate Social Responsibility (Refer Note No. 46)		–	–	11.13	10.69
Miscellaneous Expenses		4.32	3.40	2.29	1.71
Bank and Other Finance Charges		7.09	6.80	0.44	0.30
Interest on Late Payment of Statutory dues		–	–	0.02	0.01
Fee & Subscription Charges		–	–	–	0.05
Proportionate share of expenses in Integrated Joint operations (unincorporated)		0.16	0.26	–	–
Provisions (Addition – Write Back) (Refer Note 21) & Foot Note (i)	(i)	147.28	58.46	–	–
Provisions Utilised (Refer Note 21) & Foot Note (ii)	(ii)	(33.63)	(13.96)	–	–
Preliminary Expenses		–	–	–	0.36
<b>Total</b>		<b>8,892.95</b>	<b>6,125.80</b>	<b>49.83</b>	<b>60.79</b>

#### Foot Notes:

- i) Includes ₹51.27 crore (FY 2021–22: ₹14.99 crore) Provisions Addition-Write back against Doubtful Advance & Debts  
ii) Includes ₹5.85 crore (FY 2021–22: ₹2.13 crore) against Doubtful Advance

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

iii) Payment to Statutory Auditors:

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Audit Fee – Current Year	0.41	0.38
(b) SAP Data Migration Audit Fee – Current Year	–	0.05
(c) Tax Audit Fees – Current Year	0.12	0.11
(d) Fee for Quarterly Limited Review	0.24	0.22
(e) Certification Fees	0.03	0.02
(f) Travelling & Out of Pocket Expenses:		
– Travelling Expenses	–	0.01
– Out of Pocket Expenses	0.03	0.01
<b>Total</b>	<b>0.83</b>	<b>0.80</b>

## 29. Employee Benefits Expenses

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2023			For the year ended 31st March 2022		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	169.98	60.65	<b>230.63</b>	161.10	54.95	<b>216.05</b>
Contribution to Provident and Other Funds		10.49	5.57	<b>16.06</b>	10.43	9.00	<b>19.43</b>
Foreign Service Contribution		–	2.09	<b>2.09</b>	0.87	0.74	<b>1.61</b>
Retirement Benefits		19.45	13.58	<b>33.03</b>	17.94	9.38	<b>27.32</b>
Staff Welfare		1.96	0.35	<b>2.31</b>	1.96	0.24	<b>2.20</b>
<b>Total</b>		<b>201.88</b>	<b>82.24</b>	<b>284.12</b>	<b>192.30</b>	<b>74.31</b>	<b>266.61</b>

#### Foot Notes:-

- (i) Includes income-tax on non-monetary perks ₹0.62 crore (31st March 2022 : ₹0.51 crore).

## 30. Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest Expense	(i)	167.53	164.29
Less: Interest on Advance to Rail Land Development Authority (RLDA)		(56.03)	111.50
Other Borrowing Cost			
– Bank Guarantee & Other Charges			1.17
Interest on Unwinding of Financial Instruments			0.10
Interest Cost on Lease Liability			0.02
Amortisation of Financial Instruments			0.01
Unwinding of Discount on Provisions			5.28
<b>Total</b>		<b>118.08</b>	<b>61.72</b>

#### Foot Notes:-

- (i) Includes interest on income-tax ₹0.30 crore (31st March 2022 : ₹0.02 crore).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 31. Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation of Property, Plant and Equipment	26.22	17.30
Depreciation of Right to Use – Lease Assets	0.38	0.37
Amortization of Intangible Assets	68.03	66.41
Depreciation of Investment Property	12.41	10.34
Impairment of Assets	0.42	0.75
<b>Total</b>	<b>107.46</b>	<b>95.17</b>

### 32. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Items that will not be reclassified to profit or loss</b>		
Net actuarial gains/(losses) on remeasurements of defined benefit plans	1.92	(0.80)
Income Tax relating to Remeasurement Gain/(Loss) on Defined Benefit Plans	(0.48)	0.20
Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax)	(0.03)	(0.01)
<b>Total</b>	<b>1.41</b>	<b>(0.61)</b>

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Items that will be reclassified to profit or loss</b>		
Exchange differences in translating the financial statements of foreign operations	12.90	6.21
Income Tax relating to Income Tax relating to exchange differences in translating the financial statements of foreign operations	(3.25)	(1.56)
<b>Total</b>	<b>9.65</b>	<b>4.65</b>
<b>Grand Total</b>	<b>11.06</b>	<b>4.04</b>

### 33. A. Fair Value Measurements

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2023 are as follows: \*

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss ('FVTPL')</b>				
Investment in Mutual Funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Assets at Amortized Cost</b>				
(i) Investments				
Investments in Tax Free Bonds	225.19	-	-	225.19
(ii) Loans	1.36	-	-	1.36
(iii) Other Financial Assets	3,251.76	-	-	3,251.76
<b>Total</b>	<b>3,478.31</b>	<b>-</b>	<b>-</b>	<b>3,478.31</b>

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	1,504.21	-	-	1,504.21
(ii) Lease Liabilities	0.51	-	-	0.51
(iii) Other Financial Liabilities	3,427.98	-	-	3,427.98
<b>Total</b>	<b>4,932.70</b>	<b>-</b>	<b>-</b>	<b>4,932.70</b>

b) b) The carrying values and fair values of financial instruments by categories as at 31 March, 2022 are as follows: \*

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss ('FVTPL')</b>				
Investment in Mutual Funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Assets at Amortized Cost</b>				
(i) Investments				
Investments in Tax Free Bonds	275.18	-	-	275.18
(ii) Loans	1.30	-	-	1.30
(iii) Other Financial Assets	2,616.97	-	-	2,616.97
<b>Total</b>	<b>2,893.45</b>	<b>-</b>	<b>-</b>	<b>2,893.45</b>

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	1,399.01	-	-	1,399.01
(ii) Lease Liabilities	0.16	-	-	0.16
(iii) Other Financial Liabilities	3,150.40	-	-	3,150.40
<b>Total</b>	<b>4,549.57</b>	<b>-</b>	<b>-</b>	<b>4,549.57</b>

The management assessed that fair value of 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

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:

- 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.
- Investment in joint venture companies are classified as equity investments have been accounted using equity method. 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 2022-23 and 2021-22, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

#### B. Financial Risk Management

The Group's principal financial liabilities comprise borrowings, trade and other payables. The Group'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 Group also holds investment in mutual funds and tax free bonds. The Group's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

##### a) Market Risk

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

##### (i) Foreign Currency Risk

The Group 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 and MYR. Significant foreign currency risk of group are naturally hedged. As of March 31, 2023 and March 31, 2022, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹5.67 crore and ₹16.98 crore respectively.

The Group's significant exposure to foreign currency risk at the end of reporting period are as follows:

#### As at 31 March 2023

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	JPY	MMK	ZAR	Total
<b>Assets</b>										
Trade Receivables	42.76	40.87	46.67	0.98	-	0.77	12.29	-	-	144.34
Cash & Bank Balances	46.08	161.30	1.44	2.80	2.37	0.91	113.97	25.88	0.01	354.76
Advance to Contractors	34.96	-	0.19	4.03	-	-	32.91	-	-	72.09
Other Assets	4.18	-	179.49	-	1.65	12.36	-	-	0.37	198.05
<b>Total</b>	<b>127.98</b>	<b>202.17</b>	<b>227.79</b>	<b>7.81</b>	<b>4.02</b>	<b>14.04</b>	<b>159.17</b>	<b>25.88</b>	<b>0.38</b>	<b>769.24</b>
<b>Liabilities</b>										
Trade Payables	13.56	34.46	22.80	9.59	11.34	-	-	2.52	-	94.27
Advance from Client	74.48	-	-	-	-	-	221.25	-	-	295.73
Other Liabilities	4.82	2.67	252.23	-	2.96	0.63	-	2.50	-	265.81
<b>Total</b>	<b>92.86</b>	<b>37.13</b>	<b>275.03</b>	<b>9.59</b>	<b>14.30</b>	<b>0.63</b>	<b>221.25</b>	<b>5.02</b>	<b>-</b>	<b>655.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### As at 31 March 2022

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	JPY	MMK	ZAR	Total
<b>Assets</b>										
Trade Receivables	29.99	103.50	57.62	-	-	1.88	11.74	-	-	204.73
Cash & Bank Balances	10.71	93.16	26.51	3.28	21.90	2.34	-	-	0.06	157.96
Advance to Contractors	2.46	-	0.16	4.63	-	-	-	-	-	7.25
Other Assets	0.06	-	38.38	-	23.61	21.21	-	-	12.31	95.57
<b>Total</b>	<b>43.22</b>	<b>196.66</b>	<b>122.67</b>	<b>7.91</b>	<b>45.51</b>	<b>25.43</b>	<b>11.74</b>	<b>-</b>	<b>12.37</b>	<b>465.51</b>
<b>Liabilities</b>										
Trade Payables	6.98	48.53	6.55	7.64	16.58	0.13	-	-	0.74	87.15
Advance from Client	28.75	-	-	-	-	0.90	-	-	-	29.65
Other Liabilities	3.06	4.35	-	-	0.28	1.35	-	-	-	9.04
<b>Total</b>	<b>38.78</b>	<b>52.88</b>	<b>6.55</b>	<b>7.64</b>	<b>16.86</b>	<b>2.38</b>	<b>-</b>	<b>-</b>	<b>0.74</b>	<b>125.84</b>

##### (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 Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Group manages its interest risk in accordance with the group's policies and risk objective. In addition to borrowings, 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.

##### b) Credit Risk

The Group's customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. Accordingly, the Group's customer credit risk is low. The Group'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 Group 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 Group'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

(₹ in crore)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)</b>		
Non Current Investments	125.20	225.18
Non Current Loans	0.52	0.50
Other Non Current Financial Assets	19.09	18.70
Current Investments	99.99	50.00
Cash and Cash Equivalents	2,338.11	1,257.77
Other Bank Balances	2,784.45	4,255.44
Current Loans	0.84	0.80
Other Current Financial Assets	442.28	353.23
<b>Financial Assets for which allowance is measured using Simplified Approach</b>		
Trade Receivables	924.99	725.73
Contract Assets	2,823.50	2,258.30

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### Summary of change in loss allowances measured using Simplified approach

Particulars	31st March 2023	31st March 2022
<b>Opening Allowances</b>	<b>37.49</b>	<b>29.63</b>
Provided during the year	31.54	17.54
Utilization during the year	(0.81)	(0.43)
Amount written-off	(0.11)	(9.25)
<b>Closing Allowances</b>	<b>68.11</b>	<b>37.49</b>

During the year, the Group has recognised loss allowance of **₹31.54 crore** (31 March, 2022 : ₹17.54 crore).

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

Particulars	31st March 2023	31st March 2022
<b>Opening Allowances</b>	<b>8.57</b>	<b>6.31</b>
Provided during the year	20.00	2.26
Utilization during the year	(0.16)	-
Amount written-off	-	-
(Exchange Gain) / Loss	-	-
<b>Closing Allowances</b>	<b>28.41</b>	<b>8.57</b>

No significant changes in estimation techniques or assumptions were made during the reporting period. During the year, the Group has recognised loss allowance of **₹20.00 crore** (31 March, 2022 : ₹2.26 crore).

### c) Liquidity risk

The Group 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 Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The senior Management of the Group oversees its investment strategy and achieve its investment objectives. The Group 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 2023 and 31 March 2022

(₹ in crore)

Particulars	As at 31 March, 2023		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	63.88	103.51	1,336.82
Lease Liabilities	0.09	0.42	-
Trade payables	830.82	-	-
Other financial liabilities	2,746.88	681.10	-

(₹ in crore)

Particulars	As at 31 March, 2022		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	94.60	98.36	1,206.05
Lease Liabilities	0.01	0.15	-
Trade payables	1,027.24	-	-
Other financial liabilities	2,628.10	522.30	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 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 Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group'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.

The following table gives details in respect of revenues generated from top five projects.

(₹ in crore)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Revenue from top 5 Projects	6,107.15	4,418.50
	<b>6,107.15</b>	<b>4,418.50</b>

### C. Capital Management

The Group objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Group can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Board of Directors also monitors the level of dividends to equity shareholders in line with the dividend distribution policy of the Group. The Group has paid dividend as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows :-

(₹ in crore)

Particulars	31st March 2023	31st March 2022
Dividend Paid	230.42	333.89
<b>Total</b>	<b>230.42</b>	<b>333.89</b>

Board of Directors has recommended the final dividend of Re 1.20 per equity share on face value of ₹2/- per equity share for the year ended March 31, 2023 subject to the approval of shareholders at the AGM. This is in addition to Interim Dividend paid @ ₹1.85 per equity share on face value of ₹2/- per equity share

Further, the Group manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Group monitors capital, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group monitors capital using debt equity ratio which is debt divided by total equity. Debt comprises of non-current and current maturities of long term debt. The debt equity ratio at the end of the reporting period was as follows:

(₹ in crore)

Particulars	31st March 2023	31st March 2022
Borrowings (Note No. 20.1)	1,440.33	1,304.41
Current Maturities of Long term Debt (Note No. 23.1)	63.88	94.60
<b>Debt</b>	<b>1,504.21</b>	<b>1,399.01</b>
Equity (Note No. 18)	188.10	188.10
Other Equity (Note No. 19)	5,023.39	4,477.52
<b>Total Equity</b>	<b>5,211.49</b>	<b>4,665.62</b>
<b>Debt Equity Ratio</b>	<b>0.29</b>	<b>0.30</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

34. a) The consolidated financial statements are prepared in accordance with the requirement of section 129(3) of the Companies Act, 2013 and rules made there under as applicable from the financial year starting from 1st April, 2015. Accordingly, the company (also referred to as holding company), its subsidiaries and joint venture (jointly referred to as the 'Group') considered in the consolidated financial statements are as follows:

S.No.	Name of Subsidiary/Joint Ventures	Country of Origin	% age Share	
			31.03.2023	31.03.2022
<b>Subsidiary Companies</b>				
1	Ircon Infrastructure and Services Limited	India	100.00%	100.00%
2	Ircon PB Tollway Limited	India	100.00%	100.00%
3	Ircon Shivpuri Guna Tollway Limited	India	100.00%	100.00%
4	Ircon Davanagere Haveri Highway Limited	India	100.00%	100.00%
5	Ircon Vadodara Kim Expressway Limited	India	100.00%	100.00%
6	Ircon Gurgaon Rewari Highway Limited	India	100.00%	100.00%
7	Ircon Renewable Power Limited	India	76.00%	76.00%
8	Ircon Akloli Shirsad Expressway Limited	India	100.00%	100.00%
9	Ircon Ludhiana Rupnagar Highway Limited	India	100.00%	100.00%
10	Ircon Bhoj Morbe Expressway Limited	India	100.00%	100.00%
11	Ircon Haridwar Bypass Limited	India	100.00%	100.00%
<b>Joint Venture Companies</b>				
1	Ircon-Soma Tollway Private Limited	India	50.00%	50.00%
2	Chhattisgarh East Railway Limited	India	26.00%	26.00%
3	Chhattisgarh East-West Railway Limited	India	26.00%	26.00%
4	Mahanadi Coal Railway Limited	India	26.00%	26.00%
5	Jharkhand Central Railway Limited	India	26.00%	26.00%
6	Baster Railway Private Limited	India	26.00%	26.00%
7	Indian Railway Station Development Corporation Limited	India	26.00%	26.00%

- b) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the Holding Company.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements. The differences in accounting policies, if any, of the Holding Company and its Joint Ventures are not material.

### 35. Other Information – Capital Expenditure

(₹ in crore)

Particulars	2022-23
<b>(Addition to PPE, Change in CWIP, Addition in Intangible Assets, Change in Intangible Assets under Development, Addition in Investment Property)</b>	
Capital Expenditure incurred by Ircon International Limited including its subsidiary companies	69.17
<b>Total (A)</b>	<b>69.17</b>
<b>Ircon International Limited share in Capital Expenditure incurred by Joint Venture companies which are capitalized/to be capitalized:</b>	
1. Ircon-Soma Tollway Private Limited	0.18
2. Chhattisgarh East Railway Limited	53.42
3. Chhattisgarh East-West Railway Limited	179.86
4. Mahanadi Coal Railway Limited	33.48
5. Jharkhand Central Railway Limited	43.88
6. Bastar Railway Private Limited	-
<b>Total (B)</b>	<b>310.82</b>
<b>Grand Total (A+B)</b>	<b>379.99</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 36. Employee Benefits

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

#### (i) Defined Contribution Plans – General Description

##### A Pension

The Holding Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 i.e. April 01, 2009, for all regular employees drawing pay in IDA scale irrespective of their length of service except for those employees who joined before January 01, 2017 but would superannuate/resign after January 01, 2017, before completing 15 years of service, in such case Employer contribution towards pension would be effective from January 01, 2017 only. The scheme is managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Holding Company's share of contribution amounting to ₹9.17 Crore (₹ 8.93 crore) for the period from April 01, 2022 to March 31, 2023 has been paid and accounted for during the period 2022-23. Subsequent to closure of FY 2022-23, the Board of Directors in its 286th meeting held on 11th May, 2023 has approved for shifting of IRCON Defined Contribution Superannuation Pension Scheme, 2009 maintained with LIC to National Pension Scheme (NPS).

#### B (ii) Defined Benefit Plans – General Description

##### Provident fund

The Holding Company pays fixed contribution of Provident Fund at a pre-determined rate to a Separate trust ( IRCON Contributory Provident Fund Trust), which invests the funds in permitted securities. The trust is approved by the Income Tax Authorities. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and the interest payment based on the notified interest rate.

During the period, the Holding Company has contributed ₹13.64 crore (₹ 13.43 crore) to the trust towards employer's contribution for provident fund."

##### Gratuity

The Holding Company has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the Company as a social security measure on the termination of their employment due to superannuation, retirement, resignation, physical incapacitation or death. The scheme is managed by a Separate Trust formed in the year 2015-16 for this purpose and approved by the Income Tax Authorities. Funds of the Trust are managed by LIC of India. As at March 31, 2023 a liability of ₹7.25 crore (₹ 4.73 crore) has been booked in the books of accounts based on the actuarial valuation.

##### Post retirement medical facility (PRMF)

The Holding Company had established an irrevocable trust by initial one-time contribution of ₹12.00 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as a voluntary welfare measure for which the Company is not liable for providing such benefit to its employees. Further, the Company provides medical benefits to its employees (and spouse) who superannuate from the Company. The Holding Company has contributed ₹5.26 crore (₹ 4.64 crore) based on DPE guidelines on Superannuation Benefits.

##### Other Retirement benefits – General Description

Other retirement benefits include settlement at home-town or to the place where he or his family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

**The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on March 31, 2023 is as under:**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Defined benefit obligation at the beginning of the period</b>	<b>427.10</b>	<b>409.24</b>	<b>81.42</b>	<b>80.16</b>	<b>131.23</b>	<b>128.73</b>	<b>1.20</b>	<b>1.28</b>
Current service cost	40.54	43.44	3.66	3.45	3.43	3.51	0.06	0.06
Past service cost		-	4.97	-	-	-	-	-
Interest cost	33.82	33.96	5.79	5.24	9.33	8.41	0.08	0.08
Benefits paid	(47.55)	(60.08)	(3.63)	(8.58)	(4.30)	(5.30)	(0.04)	(0.10)
Actuarial (loss) / gain on obligations	(0.14)	0.54	(1.95)	1.15	(0.86)	(4.12)	(0.16)	(0.13)
<b>Defined benefit obligation at the end of the period</b>	<b>453.76</b>	<b>427.10</b>	<b>90.26</b>	<b>81.42</b>	<b>138.83</b>	<b>131.23</b>	<b>1.15</b>	<b>1.20</b>

ii) Changes in fair value of plan assets

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<b>Fair value of plan assets at the beginning of the period</b>	<b>424.56</b>	<b>409.82</b>	<b>76.68</b>	<b>75.39</b>	<b>110.29</b>	<b>104.47</b>	-	-
Contribution by employer & employee	40.54	43.44	4.69	4.72	4.64	4.72	-	-
Benefits paid	(47.55)	(60.08)	(3.62)	(8.58)	(4.30)	(5.30)	-	-
Interest income	32.75	31.39	5.57	5.45	6.95	6.40	-	-
Return on plan asset excluding interest income	-	-	-	-	-	-	-	-
LIC mortality charges			(0.30)	(0.31)			-	-
<b>Fair value of plan assets at the end of the period</b>	<b>450.30</b>	<b>424.56</b>	<b>83.02</b>	<b>76.68</b>	<b>117.58</b>	<b>110.29</b>	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For The Year Ended 31<sup>st</sup> March 2023

iii) Reconciliation of fair value of plan assets and defined benefit obligation:

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Fair value of plan assets	450.30	424.56	83.02	76.68	117.58	110.29	-	-
Defined benefit obligation	453.76	427.10	90.26	81.42	138.83	131.23	1.15	1.20
<b>Amount recognised in the Balance Sheet</b>	<b>(3.46)</b>	<b>(2.54)</b>	<b>(7.24)</b>	<b>(4.74)</b>	<b>(21.25)</b>	<b>(20.94)</b>	<b>(1.15)</b>	<b>(1.20)</b>

iv) Amount recognised in Statement of profit and loss

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Current service cost	13.67	12.42	3.66	3.45	3.43	3.52	0.06	0.06
Past service cost	-	-	4.97	-	-	-	-	-
Net interest expense	-	-	0.33	0.31	1.49	1.59	0.08	0.08
<b>Amount recognised in statement of Profit and Loss</b>	<b>13.67</b>	<b>12.42</b>	<b>8.96</b>	<b>3.76</b>	<b>4.92</b>	<b>5.11</b>	<b>0.15</b>	<b>0.15</b>

v) Amount recognised in Other Comprehensive Income:

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Actuarial changes arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumptions	0.01	0.06	1.01	2.69	2.52	5.01	(0.02)	(0.05)
Experience adjustments	0.14	(0.59)	0.94	(3.85)	(1.66)	(0.89)	(0.14)	(0.09)
Return on Plan Assets excluding Interest Income	(1.06)	(2.58)	(0.18)	0.22	(0.89)	(0.44)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>(0.92)</b>	<b>(3.11)</b>	<b>1.77</b>	<b>(0.94)</b>	<b>(0.03)</b>	<b>3.68</b>	<b>(0.16)</b>	<b>(0.13)</b>

\*\* The liability towards Post retirement medical benefit has been provided based on DPE guidelines on Superannuation Benefits and therefore, the liability as per actuarial valuation has not been considered.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

vi) The major categories of plan assets of the fair value of the total plan assets are as follows: (₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Government of India securities	59.16%	59.67%	-	-	6.74%	9.52%	-	-
State Government securities	-	-	-	-	43.96%	30.86%	-	-
Central & Sate Guaranteed Bonds	-	-	-	-	5.99%	18.73%	-	-
High quality corporate bonds	37.09%	38.04%	-	-	14.30%	23.40%	-	-
PSU Bond	-	-	-	-	19.53%	7.35%	-	-
PSU Basel III Tier I Bonds	-	-	-	-	8.51%	8.25%	-	-
Debt Mutual Fund	0.24%	0.77%	-	-	0.29%	-	-	-
ETF/INDEX/Equity Mutual Fund	3.25%	1.52%	-	-	0.67%	1.89%	-	-
Fund Managed by Insurer	0.26%	-	100.00%	100.00%	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0.00%</b>	<b>0.00%</b>

vii) The principal assumptions used in determining PF/ gratuity/PRMB/Retirement Allowance liability for the Company's plans are shown below:

Particulars	PF		Gratuity		PRMB		Retirement Allowance	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Discount rate	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%
Future salary increase	8.15%	8.10%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Mortality rate	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)

viii) Quantitative sensitivity analysis for significant assumption shown above is as shown below: (₹ in crore)

Gratuity Plan	PF Plan (Impact on DBO)		Gratuity Plan (Impact on DBO)		PRMB (Impact on DBO)		Retirement Allowance (Impact on DBO)	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
<b>Present value of obligation at the end of period</b>	<b>453.76</b>	<b>427.10</b>	<b>90.26</b>	<b>81.42</b>	<b>138.83</b>	<b>131.23</b>	<b>1.15</b>	<b>1.20</b>
Discount rate	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%	7.32%	7.11%
Increase by 0.50%	(0.02)	(0.02)	(2.33)	(2.20)	(5.24)	(4.93)	(0.04)	(0.05)
Decrease by 0.50%	0.02	0.02	2.51	2.36	5.33	5.04	0.05	0.05
Future salary increases	8.15%	8.10%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Increase by 0.50%	-	-	1.05	0.94	-	-	0.05	0.08
Decrease by 0.50%	-	-	(1.09)	(0.97)	-	-	-0.04	-0.05

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For The Year Ended 31<sup>st</sup> March 2023

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

ix) Expected contribution for next annual reporting period

The expected contribution to the defined benefit plan for next annual reporting period is ₹23.07 crore

x) Maturity profile of defined benefit obligation is as under

(₹ in crore)

Duration of defined benefit obligation duration (years)	Provident Fund	Gratuity	Post retirement medical benefit plan	Retirement Allowance
1	128.21	26.84	5.32	0.15
2		9.05	14.58	0.15
3		9.99	7.24	0.15
4		5.68	4.26	0.09
5		5.71	4.05	0.08
6	204.00	4.24	2.92	0.06
6 year onward		28.75	100.46	0.47
<b>Total</b>	<b>450.29</b>	<b>90.26</b>	<b>138.84</b>	<b>1.14</b>

### Risk analysis

Group is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

#### Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

#### Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

## 37. Related Party Transactions

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

### a) List of Related Parties

#### (i) Subsidiary Companies

Ircon Infrastructure and Services Limited  
 Ircon PB Tollway Limited  
 Ircon Shivpuri Guna Tollway Limited  
 Ircon Davanagere Haveri Highway Limited  
 Ircon Vadodara Kim Expressway Limited  
 Ircon Gurgaon Rewari Highway Limited,  
 Ircon Renewable Power Limited  
 Ircon Akloli -Shirsad Expressway Limited  
 Ircon Ludhiana Rupnagar Highway Limited  
 Ircon Bhoj Morbe Expressway Limited  
 Ircon Haridwar Bypass Limited

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### (ii) Joint Venture Companies

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

#### (iii) Non Controlling Interest

Ayana Renewable Power Private Limited

#### (iv) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation	Completed Joint Operations	Financially Closed Joint Operations
Express Freight Consortium	International Metro Civil Contractor	Ircon-COBRA-ELIOP
Express Freight Railway Consortium	Metro Tunnelling Group	Ircon- Sree Bhawani Builders
	IRCON-AFCONS	Ircon-SMJ Project JV
		Ircon-GANNON Dunkerly
		Ircon-RCS-PFLEIDERER
		IRCON-SPSCPL
		RICON

#### (v) (A) Key Management Personnel (KMP)

##### Whole Time Directors

Name	Designation
Shri Yogesh Kumar Misra <sup>1</sup>	CMD & Chief Executing Officer (CEO)
Smt. Ragini Advani <sup>2</sup>	Director (Finance)
Shri Sandeep Jain <sup>3</sup>	Director (Projects)
Shri Parag Verma	Director (Works) w.e.f. 21.09.2022

- Shri Yogesh Kumar Misra, Chairman & Managing Director and CEO – IRCON, relinquished the charge of the post of Chairman & Managing Director (CMD) w.e.f. April 29, 2023 hence he ceased to be CMD and CEO of the Company. Shri Brijesh Kumar Gupta, Additional Member (CE), Railway Board and Government Nominee (Part-Time Official) Director, IRCON has assumed the additional charge of Chairman & Managing Director, IRCON in addition to his own duties on April 29, 2023 until further orders of Ministry of Railways.
- Shri Mohit Sinha was ceased to be Director (Finance) w.e.f. 19.04.2022 upon appointment of Smt. Ragini Advani as a Director (Finance).
- Shri S.L Gupta was Ceased to be Director (Projects) w.e.f. 31.12.2022 (on account of superannuation) and Shri Sandeep Jain, IRSE, Executive Director Planning (Civil & PSU) – Railway Board, was entrusted with the additional charge of Director (Projects) w.e.f. 12.01.2023

#### Company Secretary and Chief Financial Officer

Name	Designation
Ms. Ritu Arora	Company Secretary
Shri B. Mugunthan	Chief Financial Officer (CFO) w.e.f 26.04.2022

#### (B) Other Directors

##### Government Nominee Part-Time (Official) Directors

Name	Designation
Shri Dhananjaya Singh	Government Nominee Part-Time (Official) Director
Shri Brijesh Kumar Gupta	Appointed as Nominee Director w.e.f. 29.03.2023
Shri Rajesh Argal	Ceased to be Nominee Director w.e.f. 31.07.2022

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

Name	Designation
Shri Ram Prakash	Appointed as Nominee Director w.e.f. 23.09.2022 and Ceased to be Nominee Director w.e.f. 31.01.2023
Shri Ajay Kumar Chauhan	Independent Part-time (Non-Official) Director
Shri Dipendra Kumar Gupta	Independent Part-time (Non-Official) Director
Smt. Ranjana Upadhyay	Independent Part-time (Non-Official) Director
Dr. Kartik Chandulal Bhadra	Independent Part-time (Non-Official) Director

#### (v) Post Employment Benefit Plans

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

#### (vi) Government Related Entities:

The Holding Company is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways. The Holding Company is controlled by Government of India (GOI), by holding 73.18% of equity shares in the name of President of India as at 31st March, 2023. 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 Group 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

#### b. Transactions with Key Management Personnel (KMP)/Other Directors are as follows:

(₹ in crore)

S. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
1	Short term employment benefits (i)	2.71	2.93
2	Other long-term employment benefits	0.75	0.66
3	Sitting fees	0.17	0.08
	<b>Total</b>	<b>3.62</b>	<b>3.67</b>

##### Note:

- Figures of FY 2022-23 include PRP of ₹0.22 crore paid during the year for previous years on provisional basis ( For FY 2021-22 include PRP of ₹0.30 crore paid during the year for FY 2020-21 on provisional basis ).
- 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:

(₹ in crore)

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
1	Sale of goods and services				
1.1	Contract Revenue	Chhattisgarh East Railway Limited	Joint Venture Companies	147.93	211.29
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	497.18	298.94
		Mahanadi Coal Railway Limited	Joint Venture Companies	92.14	40.00
		Jharkhand Central Railway Limited	Joint Venture Companies	144.02	9.66
		Baster Railway Private Limited	Joint Venture Companies	(1.59)	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
1.2	Rent Income	Ministry of Railways	Government Related Entities	6,891.15	4,539.71
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.04	0.04
		Rail Land Development Authority	Government Related Entities	0.08	0.08
2	Purchase of goods and services			-	-
3	Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)	Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.30	0.11
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.94	0.93
		Mahanadi Coal Railway Limited	Joint Venture Companies	1.62	0.51
		Jharkhand Central Railway Limited	Joint Venture Companies	0.29	0.10
		Baster Railway Private Limited	Joint Venture Companies	-	-
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	0.30	0.23
		Ayana Renewable Power Private Limited	Non Controlling Interest	-	0.26
4	Interest Income				
4.1	Interest Income on loans	Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.90	0.79
4.2	Interest Income on Advances			-	-
		Rail Land Development Authority	Government Related Entities	56.03	110.02
4.3	Interest Income on Bonds	Indian Railway Finance Corporation Limited	Government Related Entities	14.57	15.14
4.4	Dividend Income	Ircon-Soma Tollway Private Limited	Joint Venture Companies	69.00	41.00
5	Dividend				
5.1	Dividend distribution	Ministry of Railways	Government Related Entities	168.62	244.34
5.2	Dividend Income Passed on	Ministry of Railways	Government Related Entities	-	-
5.3	Profit on Sale of Investment Passed on	Ministry of Railways	Government Related Entities	-	1.03
6	Interest Expense				
6.1	Interest Expense passed on	Mahanadi Coal Railway Limited	Joint Venture Companies	0.07	0.03
6.2	Interest Expense passed on	Ministry of Railways	Government Related Entities	119.89	67.38
6.3	Interest Expense passed on	Indian Railway Finance Corporation Limited	Government Related Entities	56.03	110.02
7	Investment in Equity Shares	Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	-	55.28
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	36.82	26.00
		Mahanadi Coal Railway Limited	Joint Venture Companies	-	25.99
		Jharkhand Central Railway Limited	Joint Venture Companies	13.26	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2023	For the year ended 31st March 2022
7.1	Equity Investment / Interest Free Loan / (Deemed Equity) - Received from NCI	Ayana Renewable Power Private Limited	Non Controlling Interest	12.00	1.20
8	Interest Free Loan / Deemed Equity)	Jharkhand Central Railway Limited	Joint Venture Companies	64.11	-
		Mahanadi Coal Rail Limited	Joint Venture Companies	52	-
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	-	15.6
9	Recovery of Loans	Chhattisgarh East-West Railway Limited	Joint Venture Companies	-	-
10	Recovery of Advances	Rail Land Development Authority	Government Related Entities	615.31	615.30
11	Repayment of Loans	Indian Railway Finance Corporation Limited	Government Related Entities	615.31	615.30
12	Advances Received	Chhattisgarh East Railway Limited	Joint Venture Companies	0.03	1.36
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	104.15	5.00
		Mahanadi Coal Railway Limited	Joint Venture Companies	4.63	2.29
		Jharkhand Central Railway Limited	Joint Venture Companies	74.60	-
		Rail Land Development Authority	Government Related Entities	40.00	15.00
		Ministry of Railways	Government Related Entities	6,634.84	5,042.37
13	Repayment of Advances	Chhattisgarh East Railway Limited	Joint Venture Companies	22.47	15.52
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	31.82	9.79
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.41	-
		Jharkhand Central Railway Limited	Joint Venture Companies	54.80	-
		Ministry of Railways	Government Related Entities	6318.21	3909.24
14	Post Employment Benefit Plans				
14.1	Contribution made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	4.69	4.72
		Ircon Employees Contributory PF Trust	Post Employment Benefit Plans	41.29	42.76
		Ircon Medical Trust	Post Employment Benefit Plans	4.64	4.72
		Ircon Defind Contribution Superannuation Pension Scheme, 2009 Trust	Post Employment Benefit Plans	11.49	11.08
14.2	Reimbursements made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	-	-

**Note:**

- (i) Refer Note 40 for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations.
- (ii) Purchases are hetrogenous in nature , thus immaterial. Hence not disclosed

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

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

(₹ in crore)

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022		
1	<b>Equity Investments (Including Deemed Equity)</b>	Ircon-Soma Tollway Private Limited	Joint Venture Companies	64.15	64.15		
		Chhattisgarh East Railway Limited	Joint Venture Companies	213.46	213.46		
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	193.99	157.17		
		Mahanadi Coal Railway Limited	Joint Venture Companies	78.00	26.00		
		Jharkhand Central Railway Limited	Joint Venture Companies	140.37	63.00		
		Baster Railway Private Limited	Joint Venture Companies	76.34	76.34		
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	52.00	52.00		
2	<b>Investment in Bonds</b>	Indian Railway Finance Corporation Limited	Government Related Entities	155.19	205.18		
3	<b>Amount Recoverable towards loans granted</b>			-	-		
4	<b>Amount recoverable other than loans</b>						
4.1	<b>Trade Receivables</b>	Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.05		
		Chhattisgarh East Railway Limited	Joint Venture Companies	21.20	25.15		
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	33.81	3.85		
		Mahanadi Coal Railway Limited	Joint Venture Companies	6.83	14.08		
		Baster Railway Private Limited	Joint Venture Companies	-	-		
		Ministry of Railways	Government Related Entities	166.59	77.14		
		4.2	<b>Contract Assets (a) Billable Revenue/ Receivable not due and CWIP at Realisable Value</b>	Chhattisgarh East Railway Limited	Joint Venture Companies	36.67	31.59
				Chhattisgarh East-West Railway Limited	Joint Venture Companies	18.26	37.30
				Mahanadi Coal Railway Limited	Joint Venture Companies	0.97	1.29
				Baster Railway Private Limited	Joint Venture Companies	21.35	22.94
		Jharkhand Central Railway Limited	Joint Venture Companies	-	7.52		
		Ministry of Railways	Government Related Entities	162.86	153.86		
		(b) <b>Retention Money and Money Withheld</b>	Chhattisgarh East Railway Limited	Joint Venture Companies	0.20	0.62	
			Mahanadi Coal Railway Limited	Joint Venture Companies	12.33	3.84	
Jharkhand Central Railway Limited	Joint Venture Companies		1.56	-			
4.3	<b>Advance and Claims Recoverable</b>	Ministry of Railways	Government Related Entities	3.18	0.86		
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	-		
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.29	0.22		
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.93	1.32		
		Jharkhand Central Railway Limited	Joint Venture Companies	0.07	0.10		
		Baster Railway Private Limited	Joint Venture Companies	0.02	0.02		
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	0.09	1.03		
		Ministry of Railways	Government Related Entities	-	10.96		
		Rail Land Development Authority	Government Related Entities	634.95	1,270.26		
		4.4	<b>Interest Accrued on loans</b>	Chhattisgarh East-West Railway Limited	Joint Venture Companies	10.87	10.06

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2023	As at 31st March, 2022	
4.5	<b>Interest Accrued on advances</b>	Rail Land Development Authority	Government Related Entities	59.65	109.77	
4.6	<b>Interest Accrued on bonds</b>	Indian Railway Finance Corporation Limited	Government Related Entities	10.63	19.86	
4.7	<b>Recoverables from Trusts</b>	Ircon Gratuity Trust	Post Employment Benefit Plans	16.32	7.68	
5	<b>Borrowings</b>	Indian Railway Finance Corporation Limited	Government Related Entities	615.31	1230.62	
6	<b>Amount Payable towards</b>					
6.1	<b>Trade Payables</b>	Ministry of Railways	Government Related Entities	-	-	
		6.2 <b>Contract Liabilities (Advances and Advance Contract Receipts)</b>	Ministry of Railways	Government Related Entities	2041.03	2326.90
			Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	-
			Chhattisgarh East Railway Limited	Joint Venture Companies	8.38	30.82
			Chhattisgarh East-West Railway Limited	Joint Venture Companies	125.06	52.72
		Mahanadi Coal Railway Limited	Joint Venture Companies	-	2.29	
		Jharkhand Central Railway Limited	Joint Venture Companies	19.80	-	
		Baster Railway Private Limited	Joint Venture Companies	-	-	
		Rail Land Development Authority	Government Related Entities	-	-	
		6.3 <b>Other Payable to Client</b>	Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.65	0.65
Mahanadi Coal Railway Limited	Joint Venture Companies		9.44	4.94		
6.4	<b>Interest Payable on Borrowings</b>	Ministry of Railways	Government Related Entities	571.76	901.38	
		Indian Railway Finance Corporation Limited	Government Related Entities	51.89	103.81	
6.5	<b>Interest Payable on Advances</b>	Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.29	-	
		Mahanadi Coal Railway Limited	Joint Venture Companies	0.42	0.35	
		Jharkhand Central Railway Limited	Joint Venture Companies	0.12	-	
		Rail Land Development Authority	Government Related Entities	-	-	
6.6	<b>Payable to Trust</b>	Ministry of Railways	Government Related Entities	280.36	287.20	
		Ircon Gratuity Trust	Post Employment Benefit Plans	7.17	7.68	
7	<b>Equity Investments (Including Deemed Equity)-Received</b>	Ayana Renewable Power Private Limited	Non Controlling Interest	13.20	1.20	

d) Terms and conditions of transactions with related parties

- Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- 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.
- The loans to key management personnel are on the same terms and conditions as applicable to all other employees.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 38. 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 ₹)

Particulars	Note	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit attributable to Equity holders (₹ in crore)	(ii)	765.23	592.34
Weighted average number of equity shares for Basic and Diluted EPS*	(iii)	940,515,740	940,515,740
Earnings per share (Basic)		8.14	6.30
Earnings per share (Diluted)		8.14	6.30
Face value per share		2.00	2.00

\* The Board of Directors of IRCON in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of ₹2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Company is ₹188,10,31,480 divided into 94,05,15,740 equity shares of ₹2/- each.

#### (ii) Profit attributable to equity shareholders (used as numerator) (₹ in crore)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year as per Statement of Profit and Loss	765.23	592.34
Profit attributable to Equity holders of the Parent used for computing EPS:	765.23	592.34

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening balance of issued equity shares	940,515,740	470,257,870.00
Equity shares issued during the year	-	-
Increase in the Number of Share on account of Shares Split	-	-
Bonus share issued after the reporting date but before the financial statement are issued	-	470,257,870.00
<b>Weighted average number of equity shares for computing Basic EPS</b>	<b>940,515,740.00</b>	<b>940,515,740.00</b>
<b>Dilution Effect:</b>		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
<b>Weighted average number of equity shares for computing Diluted EPS</b>	<b>940,515,740</b>	<b>940,515,740</b>

### 39. Impairment of Assets

During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil (Nil) has been provided for." However, one of the subsidiary IISL has been provided impairment loss of ₹0.42 crore (₹ 0.75 Crore) .

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 40. 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 21.

#### (ii) Contingent Liabilities

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

(₹ in crore)

Particulars	Foot Note	As at 31st March 2022	Addition during the year	Total Claims Settled during the year	As at 31st March 2023
<b>a) Claims against the Group not acknowledged as debts :</b>					
Disputed Direct tax demands					
(i) in respect of the Holding Company	1	199.03	24.44	(183.54)	39.93
Disputed Indirect tax demands					
(i) in respect of the Holding Company	2	263.66	27.47	(49.97)	241.16
(ii) in respect of the Joint Operations	3	3.33	-	-	3.33
Legal Cases					
(i) in respect of the Holding Company	4	537.31	173.31	(86.12)	624.50
(ii) in respect of the Joint Operations	5	0.02	-	-	0.02
<b>b) Other money for which Group is contingent liable</b>					
Liquidated damages pending disposal of application for extension of time by clients		9.27	-	-	9.27
<b>Total</b>		<b>1,012.62</b>	<b>225.22</b>	<b>(319.63)</b>	<b>918.21</b>

#### Foot Note:

- The Income Tax Authority have raised demands on account of various disallowances pertaining to different assessment years. Many of these matters were adjudicated in favour of Company but are disputed before higher authorities by the concerned departments. The Company is contesting these demands, which are pending at various appellate levels. Based on the advice from the independent tax experts and the developments on the appeals, the management is confident that additional tax so demanded will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial statements.
- There are various disputes pending with authorities of excise, customs, service tax, sales tax, VAT etc. The Company is contesting these demands raised by concerned authorities and are pending at various appellate authorities. Based on the grounds of appeal and advice of the independent legal experts, the management believes that there is reasonable strong likelihood of succeeding before the various authorities. Pending the final decisions on the above, no adjustment has been made in these financial statements. The above disputed indirect tax demands includes ₹195.82 crore which is reimbursable from clients.
- In case of International Metro Civil Contractor, a Joint Operation of the holding Company, there is disputed demand pending with the sales tax authorities amounting to ₹3.33 crore (₹ 3.33 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.
- The Group is a party to several legal suits on construction contract terms related disputes, pending before various courts and arbitration proceedings in India and abroad. Some of the contractors have lodged claims on the Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

- seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Group as being not admissible in terms of provisions of the respected contracts. Against a total claim of **₹701.86 crore** (₹ 638.79 crore), provision of **₹77.35 crore** (₹ 101.48 crore) has been made and balance **₹624.51 crore** (₹ 537.31 crore) is shown as contingent liability. The Group has also made counter claims on the contractors admissible as per the terms of the contract of **₹333.31 crore** (₹ 238.82 crore). Interest on claims is not considered, being unascertainable.
- One of the contractor, M/s Sai Engineers has filed suit against International Metro Civil Contractor for an amount of **₹ 0.02 crore** (₹ 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.
  - There are some cases relating to employees/others are pending in the Courts against the Company in respect of which the liability is not ascertainable.
  - Contingent liability of Ircon Infrastructure and Services Limited against cases relating to Employees/Contractor's pending in the court amounts to **₹2.55 crores** (₹2.93 crore). Amount of interest claimed on said liability is not ascertainable.
  - Claims of **₹12.55 Crore** intimated by Independent Engineer of NHA on account of penalties intimated. Ircon Shivpuri Guna Tollway Limited is in communication with NHA for removal of these claims, as it is felt by the Company that the same any delay for which penalty is being imposed is not on account of the Company.
  - Ircon PB Tollway Limited is a party to certain claims raised by NHA related to delays, non achievement of milestones, damages in O&M works, etc. These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts. These claims totalling to **₹47.42 crore** (₹ NIL), is shown as contingent liability. The Company has also made counter claims on NHA admissible as per the terms of the contract of **₹338.05 crore** (₹ NIL).
  - Income tax demand of ₹132.63 Crore pertains to Ircon PB Tollway Limited for FY 2017-18 against which appeal has been filed with the Income Tax department, Income tax refund due to the company for ₹1.85 Crore, ₹2.31 crores, ₹0.18 Crore & ₹0.09 Crore pertaining to AY 2019-20, AY 2020-21, AY 2021-22, AY 2022-23 respectively has not been released by the Income tax department against above demand. However, the appeal has been filed and hearing date is yet to be confirmed at the close of the financial year.

### (iii) Contingent Assets

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

- Claims raised by Group on some of its clients and awarded by arbitrators in favour of Group against which clients have gone to court not accounted for as receivables are **₹461.17 crore** (₹ 425.76 crore) including interest calculated up to 31.03.2023 as per arbitration award.
- Counter Claims raised by Group on sub-contractors and awarded by arbitrators in favour of Group against which sub-contractors have gone to court, not accounted for as receivables are **₹22.48 crore** (₹ 25.42 crore).
- Insurance Claim of **USD 0.93 Mn** (USD 0.91 Mn) and **Ethiopian Bir 1.22 Mn** (1.22 Mn) equivalent to **₹7.79 crore** (₹ 7.05 crore) including interest calculated upto 31.03.2023 awarded by Honourable Supreme Court of Ethiopia in favour of Group has not been accounted for, pending execution order by High Court of Ethiopia.

### (iv) Commitments

(₹ in crore)

	Particulars	Foot Note	As at 31st March 2023	As at 31st March 2022
<b>a)</b>	<b>Capital Commitments</b>			
	Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	16.19	16.37
<b>b)</b>	<b>Other Commitments</b>			
(i)	Funding committed by way of equity and loans in Joint Venture Companies	2	177.60	75.42
(ii)	Sponsor's Support Agreement on behalf of Joint Venture	3	1361.36	1033.76
			<b>1555.15</b>	<b>1,125.55</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

Foot Note:

(₹ in crore)

1.	S. No	Capital Commitments	As at 31st March 2023	As at 31st March 2022
	1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipment	1.72	-
	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-Holding Company	14.47	16.37
		<b>Total</b>	<b>16.19</b>	<b>16.37</b>

(₹ in crore)

2.	S. No	Name of the Joint Venture Company	As at 31st March 2023		As at 31st March 2022	
			Equity	Loans	Equity	Loans
	1	Chhattisgarh East Railway Limited	-	33.14	-	-
	2	Chhattisgarh East-West Railway Limited	0.01	64.48	36.83	-
	3	Mahanadi Coal Rail Limited	-	54.63	-	-
	4	Baster Railway Private Limited	0.01	25.33	-	25.33
	5	Jharkhand Central Railway Limited	-	-	13.26	-
	6	Indian Railway Station Development Corporation Limited	-	-	-	-
		<b>Total</b>	<b>0.02</b>	<b>177.58</b>	<b>50.09</b>	<b>25.33</b>

- \* The Company's Board of Directors (BoD) has approved a resolution on 11th May, 2023 to increase the loan commitment in three Joint Venture Companies. Accordingly, the changes in the commitment has been disclosed.
- (i) The Company along with SECL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East West Railway Ltd.(CEWRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is **₹1033.76** (26% of total loan of ₹3976 Crore) as on 31st March 2023 (31st March, 2022: ₹1033.76 Crore).  
(ii) The Company along with CCL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Jharkhand Central Railway Ltd. (JCRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is **₹327.60** (26% of total loan of ₹1259.75 crore) as on 31st March 2023.
  - Estimated Amount of Contracts remaining to be executed on capital accounts of **₹2355.55 Crore** for construction of soalr projects and Other Commitments of ₹38.02 Crores for operation & maintenance of solar project pertains to Ircon Renewable Power Limited .
  - Concessaire fees payable of **₹448.72 Crore** (₹483.02 Crore) to NHA till end of Concessionaire period of the Toll Road regarding other commitments of Ircon Shivpuri Guna Tollway Limited

## 41. Segment Reporting

### 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 Group is the Chief Operating Decision



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

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 Group has determined reportable operating segments from geographical perspective.

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

(₹ in crore)

Particulars	International		Domestic		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Segment Revenue</b>						
Revenue from external customers	411.84	480.43	9,956.09	6,899.24	<b>10,367.93</b>	<b>7,379.67</b>
<b>Total Operating Revenue</b>	<b>411.84</b>	<b>480.43</b>	<b>9,956.09</b>	<b>6,899.24</b>	<b>10,367.93</b>	<b>7,379.67</b>
Interest income	11.81	1.88	347.16	183.45	<b>358.97</b>	<b>185.33</b>
Other Income	6.03	9.84	16.96	10.87	<b>22.99</b>	<b>20.71</b>
Inter - segment	-	-	-	-	-	-
<b>Total Revenue</b>	<b>429.68</b>	<b>492.15</b>	<b>10,320.21</b>	<b>7,093.56</b>	<b>10,749.89</b>	<b>7,585.71</b>
<b>Segment Result</b>						
Profit before provision, depreciation, interest and exceptional item and tax	95.89	67.15	1,129.93	769.47	<b>1,225.82</b>	<b>836.62</b>
Less: Provisions and write back	8.41	(14.75)	(155.69)	(43.71)	<b>(147.28)</b>	<b>(58.46)</b>
Less: Depreciation, amortization and impairment	(2.56)	(2.72)	(104.90)	(92.45)	<b>(107.46)</b>	<b>(95.17)</b>
Less: Interest	-	-	(111.52)	(54.28)	<b>(111.52)</b>	<b>(54.28)</b>
Add: Share of net profit of Joint Ventures accounted for using equity method	-	-	31.44	59.94	<b>31.44</b>	<b>59.94</b>
<b>Profit before tax</b>	<b>101.74</b>	<b>49.68</b>	<b>789.26</b>	<b>638.97</b>	<b>891.00</b>	<b>688.65</b>
Less: Tax expense	(26.96)	(22.94)	(98.81)	(73.44)	(125.77)	(96.38)
<b>Profit after tax</b>	<b>74.78</b>	<b>26.74</b>	<b>690.45</b>	<b>565.53</b>	<b>765.23</b>	<b>592.27</b>

#### C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Total Assets	918.76	735.58	14,618.62	13,710.78	<b>15,537.38</b>	<b>14,446.36</b>
Total Liabilities	727.90	627.34	9,584.86	9,152.27	<b>10,312.76</b>	<b>9,779.61</b>
Investment in joint ventures accounted for by equity method	-	-	824.29	695.57	<b>824.29</b>	<b>695.57</b>
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	55.45	22.88	1,921.98	1,888.67	<b>1,977.43</b>	<b>1,911.55</b>
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.23	0.06	68.94	45.93	<b>69.17</b>	<b>45.99</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### D. Information about major customer

During the year ended March 31, 2023, Operating Revenue of approximately **66.47** (31st March 2022 61.52 %) derived from a single external customer in Domestic Segment.

#### 42. Disclosure of Interest in Other Entities

Disclosures in compliance with Ind AS 112 "Disclosure of Interest in Other Entities" are as under:

##### A. Investment in Joint Operations

Investment in following joint operations is accounted at cost.

(₹ in crore)

S. No.	Name of the Joint Operation	Principal Place of Business and Country of Incorporation	As at 31st March, 2023		As at 31st March, 2022	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
i)	<b>For projects in operation:</b>					
	Express Freight Consortium	Guajrat and Maharashtra, India	30.00	30.00	30.00	30.00
	Express Freight Railway Consortium	Maharashtra, India	30.00	30.00	30.00	30.00
ii)	<b>Completed Joint Operations</b>					
	International Metro Civil Contractor	Delhi NCR, India	9.50	9.50	9.50	9.50
	Metro Tunnelling Group	Delhi NCR, India	9.50	9.50	9.50	9.50
	IRCON-AFCONS	Bangladesh	53.00	53.00	53.00	53.00
iii)	<b>Financially Closed Joint Operations</b>					
	Ircon-COBRA-ELIOP	Delhi NCR, India	61.22	61.22	61.22	61.22
	Ircon- Sree Bhawani Builders	Chennai, India	24.21	24.21	24.21	24.21
	Ircon-SMJ Project JV	Tamilnadu, India	55.00	55.00	55.00	55.00
	Ircon-GANNON Dunkerly	Uttar Pradesh, India	55.70	55.70	55.70	55.70
	Ircon-RCS-PFLEIDERER	J&K, India	65.08	65.08	65.08	65.08
	IRCON-SPSCPL	J&K, India	50.00	50.00	50.00	50.00
RICON	Delhi NCR, India	49.00	49.00	49.00	49.00	

##### (b) Investment in Joint Venture Companies

S. No.	Name of the Joint Venture Company	Principal Place of Business and Country of Incorporation	As at 31st March, 2023		As at 31st March, 2022		Accounting Method
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights	
1	Ircon-Soma Tollway Private Limited	Maharashtra, India	50.00	50.00	50.00	50.00	Equity Method
2	Chhattisgarh East Railway Limited	Chhattisgarh, India	25.31	26.00	27.31	26.00	Equity Method
3	Chhattisgarh East-West Railway Limited	Chhattisgarh, India	26.00	26.00	26.00	26.00	Equity Method
4	Mahanadi Coal Railway Limited	Odisha, India	26.00	26.00	26.00	26.00	Equity Method
5	Jharkhand Central Railway Limited	Jharkhand, India	26.00	26.00	14.82	26.00	Equity Method
6	Baster Railway Private Limited	Chhattisgarh, India	26.00	26.00	26.00	26.00	Equity Method
7	Indian railway Station Development Corporation Limited	Delhi-NCR, India	26.00	26.00	26.00	26.00	Equity Method

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For The Year Ended 31<sup>st</sup> March 2023

### (c) Summarised Financial Interest in Joint Operations (to the extent of Company's share) (₹ in crore)

S. No.	Particulars	Name of the Joint Operation									
		IRCON-AFCONS		Express freight consortium		International Metro Civil Contractor		Metro Tunnelling Group		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	<b>As at Year End:</b>										
1	<b>Assets</b>										
	PPE			-	-					-	-
	Capital Work in Progress			-	-					-	-
	Other Assets	0.60	0.52	-	-	4.41	4.37	2.04	2.07	7.05	6.96
	<b>Liabilities</b>										
2	Provisions	-	-	-	-	0.02	0.01	0.11	0.18	0.13	0.19
	Other Liabilities	-	-	-	-	0.91	0.91	0.05	0.05	0.96	0.96
	<b>For the year end:</b>										
3	Total Income		0.02	1.37	1.74	0.05	0.05	0.07	0.10	1.50	1.91
4	Total Expenses	0.11	0.19	0.45	0.78	0.00	0.01	0.01	0.01	0.57	0.99
5	Total Taxes		-	0.35	0.37	0.01	0.01	0.02	0.03	0.38	0.41
6	Profit after tax	(0.11)	(0.17)	0.58	0.59	0.04	0.03	0.04	0.06	0.54	0.51
7	Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
8	Total Comprehensive Income	(0.11)	(0.17)	0.58	0.59	0.04	0.03	0.04	0.06	0.54	0.51

**Foot Note:** Contingent Liabilities relating to Joint Operations are disclosed in Note 40.

### (d) Summarised Balance Sheet of Joint Venture Companies (₹ in crore)

S. No.	Particulars	Bastar Railways Private Limited		Chhattisgarh East Railway Limited		Chhattisgarh East West Railway Limited		Indian Railway of Stations Development Corporation Ltd	
		As at 31-3-2023	As at 31-3-2022	As at 31-3-2023	As at 31-3-2022	As at 31-3-2023	As at 31-3-2022	As at 31-3-2023	As at 31-3-2022
			Non-Current Assets	1.29	1.00	3236.20	3060.56	2107.88	1327.93
1	Current Assets	291.82	293.12	199.02	213.98	76.47	199.51	388.19	392.47
2	<b>Total Assets (A)</b>	<b>293.11</b>	<b>294.12</b>	<b>3,435.22</b>	<b>3,274.54</b>	<b>2,184.35</b>	<b>1,527.44</b>	<b>388.19</b>	<b>392.47</b>
	Non-Current Liabilities	-	-	2,559.71	2,287.30	1,410.15	907.61	-	-
3	Current Liabilities	0.32	0.40	124.45	126.45	54.17	27.02	83.88	89.87
4	<b>Total Liabilities (B)</b>	<b>0.32</b>	<b>0.40</b>	<b>2,684.17</b>	<b>2,413.75</b>	<b>1,464.32</b>	<b>934.63</b>	<b>83.88</b>	<b>89.55</b>
	<b>Net Assets (A-B)</b>	<b>292.79</b>	<b>293.71</b>	<b>751.05</b>	<b>860.79</b>	<b>720.03</b>	<b>592.81</b>	<b>304.31</b>	<b>302.60</b>
5	a) Includes Cash & Cash Equivalents	33.44	34.95	172.41	184.08	75.61	197.78	4.16	19.21
	b) Includes Financial Liabilities (excluding Trade payables and other payables and excluding provisions)	-	-	2,559.71	2,287.30	1,410.15	907.61	70.03	84.05

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For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

S. No.	Particulars	Ircon – Soma Tollway Private Limited		Jharkhand Central Railway Limited		Mahanadi Coal Railway Limited	
		As at 31-3-2023	As at 31-3-2022	As at 31-3-2023	As at 31-3-2022	As at 31-3-2023	As at 31-3-2022
		1	Non-Current Assets	175.23	232.84	512.16	267.06
2	Current Assets	374.33	376.86	159.10	184.41	0.69	4.39
	<b>Total Assets (A)</b>	<b>549.57</b>	<b>609.70</b>	<b>671.26</b>	<b>451.48</b>	<b>412.54</b>	<b>256.12</b>
3	Non-Current Liabilities	253.18	309.11	125.13	-	-	-
4	Current Liabilities	133.91	119.79	1.09	2.70	323.90	167.05
	<b>Total Liabilities (B)</b>	<b>387.10</b>	<b>428.89</b>	<b>126.22</b>	<b>2.70</b>	<b>323.90</b>	<b>167.05</b>
5	<b>Net Assets (A-B)</b>	<b>162.47</b>	<b>180.81</b>	<b>545.05</b>	<b>448.77</b>	<b>88.64</b>	<b>89.07</b>
	a) Includes Cash & Cash Equivalents	56.43	46.06	129.81	82.42	0.66	4.35
	b) Includes Financial Liabilities (excluding Trade payables and other payables and excluding provisions)	325.35	370.66	125.53	0.06	323.25	166.81

### (f) Summarised Statement of Profit and Loss of Joint Venture Companies:

(₹ in crore)

S. No.	Particulars	Bastar Railways Private Limited		Chhattisgarh East Railway Limited		Chhattisgarh East West Railway Limited		Indian Railway Stations Development Corporation Ltd	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		1	Revenue	-	-	62.18	37.59	-	-
2	Interest Income	1.79	2.18	3.13	0.02	-	-	6.22	8.44
3	Other Income	-	-	0.04	-	-	-	1.02	3.34
	<b>Total Income</b>	<b>1.79</b>	<b>2.18</b>	<b>65.35</b>	<b>37.61</b>	<b>-</b>	<b>-</b>	<b>20.48</b>	<b>48.32</b>
4	Expenses on Operations	-	-	24.74	17.12	-	-	8.74	31.27
5	Employee Benefit	-	-	1.04	-	-	-	3.41	5.39
6	Depreciation and amortisation	0.02	0.03	135.09	4.31	-	-	-	1.78
7	Finance Cost	-	-	116.61	23.09	-	-	0.17	1.97
8	Other Expenses	3.01	3.34	14.96	6.48	0.24	0.28	5.54	5.38
	<b>Total Expenses</b>	<b>3.03</b>	<b>3.37</b>	<b>292.45</b>	<b>51.00</b>	<b>0.24</b>	<b>0.28</b>	<b>17.86</b>	<b>45.78</b>
9	<b>Share of Profit &amp; Loss of Joint Venture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.44</b>	<b>(1.88)</b>
10	Income tax	0.31	0.30	108.51	75.72	-	-	(2.61)	(0.96)
11	<b>Profit for the year</b>	<b>(0.93)</b>	<b>(0.89)</b>	<b>(118.58)</b>	<b>62.33</b>	<b>(0.24)</b>	<b>(0.28)</b>	<b>3.45</b>	<b>(0.30)</b>
12	Other comprehensive income	-	-	-	-	-	-	(0.11)	0.24
13	<b>Total comprehensive income</b>	<b>(0.93)</b>	<b>(0.89)</b>	<b>(118.58)</b>	<b>62.33</b>	<b>(0.24)</b>	<b>(0.28)</b>	<b>3.34</b>	<b>(0.06)</b>



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### For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

S. No.	Particulars	Ircon – Soma Tollway Private Limited		Jharkhand Central Railway Limited		Mahanadi Coal Railway Limited	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Revenue	280.77	243.24	-	-	-	-
2	Interest Income	10.99	8.70	8.26	3.14	0.06	0.06
3	Other Income	0.22	0.44	-	-	-	-
	<b>Total Income</b>	<b>291.98</b>	<b>252.38</b>	<b>8.26</b>	<b>3.14</b>	<b>0.06</b>	<b>0.06</b>
4	Expenses on Operations	45.75	40.43	0.03	0.05	-	-
5	Employee Benefit Expenses	0.60	0.65	-	-	-	-
6	Finance Cost	36.48	39.30	-	-	-	-
7	Depreciation and amortisation Expenses	57.98	58.43	0.02	0.00	-	-
8	Other Expenses	5.95	11.38	0.09	0.06	0.49	0.08
	<b>Total Expenses</b>	<b>146.76</b>	<b>150.19</b>	<b>0.14</b>	<b>0.11</b>	<b>0.49</b>	<b>0.08</b>
9	Income tax	25.56	13.36	2.72	1.01	-	-
10	<b>Profit for the year</b>	<b>119.66</b>	<b>88.83</b>	<b>5.40</b>	<b>2.02</b>	<b>(0.43)</b>	<b>(0.02)</b>
11	Other comprehensive income	-	(0.02)	-	-	-	-
12	<b>Total comprehensive income</b>	<b>119.66</b>	<b>88.81</b>	<b>5.40</b>	<b>2.02</b>	<b>(0.43)</b>	<b>(0.02)</b>

#### (g) Reconciliation of carrying amounts of Joint Venture Companies

(₹ in crore)

Particulars	Bastar Railways Private Limited		Chhattisgarh East Railway Limited		Chhattisgarh East West Railway Limited		Indian Railway Stations Development Corporation Ltd	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Opening net assets	293.71	294.60	860.79	656.03	592.82	503.10	299.74	299.89
Profit for the year	(0.93)	(0.89)	(118.58)	62.33	(0.24)	(0.28)	3.37	(0.39)
Increase in paid up share capital	-	-	8.85	101.26	127.46	90.00	-	-
Other Comprehensive Income	-	-	-	-	-	-	(0.12)	0.24
Dividends paid	-	-	-	-	-	-	-	-
Equity component of other financial instruments	-	-	-	41.17	-	-	-	-
Other Adjustment (Application Money Pending Allotment)/ Share issue Expenses	-	-	-	-	-	-	1.27	-
<b>Closing net assets</b>	<b>292.79</b>	<b>293.71</b>	<b>751.05</b>	<b>860.79</b>	<b>720.04</b>	<b>592.82</b>	<b>304.26</b>	<b>299.74</b>
<b>Group's share in %</b>								

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### For The Year Ended 31<sup>st</sup> March 2023

Particulars	Bastar Railways Private Limited		Chhattisgarh East Railway Limited		Chhattisgarh East West Railway Limited		Indian Railway Stations Development Corporation Ltd	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
(i) In Paid up Share Capital and Profit	26.00%	26.00%	25.31%	27.31%	26.00%	26.00%	26.00%	26.00%
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-	-	-
Group's share								
(i) In Paid up Share Capital and Profit	76.12	76.37	194.89	224.92	193.60	156.84	58.19	57.35
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
<b>Carrying amount</b>	<b>76.12</b>	<b>76.37</b>	<b>194.89</b>	<b>224.92</b>	<b>193.60</b>	<b>156.84</b>	<b>58.19</b>	<b>57.35</b>

(₹ in crore)

Particulars	Ircon – Soma Tollway Private Limited		Jharkhand Central Railway Limited		Mahanadi Coal Railway Limited	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Opening net assets	180.80	174.00	448.78	90.86	89.07	(0.87)
Profit for the year	119.66	88.84	5.40	2.02	(0.43)	(0.02)
Increase in paid up share capital	-	-	13.25	355.90	-	89.96
Other Comprehensive Income	-	(0.02)	-	-	-	-
Dividends paid	(138.00)	(82.00)	-	-	-	-
Equity component of other financial instruments	-	-	77.61	-	-	-
Other Adjustment (Application Money Pending Allotment)	-	-	-	-	-	-
<b>Closing net assets</b>	<b>162.46</b>	<b>180.80</b>	<b>545.04</b>	<b>448.78</b>	<b>88.64</b>	<b>89.07</b>
Group's share in %						
(i) In Paid up Share Capital and Profit	50.00%	50.00%	26.00%	14.82%	26.00%	26.00%
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-
Group's share						
(i) In Paid up Share Capital and Profit	81.24	90.41	78.38	13.94	25.65	25.76
Equity component of other financial instruments	-	-	64.11	50.00	52.00	-
Other Adjustments	-	-	-	-	-	-
<b>Carrying amount</b>	<b>81.24</b>	<b>90.41</b>	<b>142.49</b>	<b>63.94</b>	<b>77.65</b>	<b>25.76</b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

### 43. Revenue

#### A. Disaggregation of Revenue

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

(₹ in crore)

Type of Product or Services	For the year ended March 31, 2023						
	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	8,900.71	406.91	<b>9,307.62</b>	9,307.62	-	5.84	<b>9,313.46</b>
Highway	818.82	-	<b>818.82</b>	818.82	-	-	<b>818.82</b>
Electrical	-	-	-	-	-	-	-
Building	165.23	-	<b>165.23</b>	165.23	-	-	<b>165.23</b>
Others	22.97	-	<b>22.97</b>	22.97	-	47.45	<b>70.42</b>
<b>Total</b>	<b>9,907.73</b>	<b>406.91</b>	<b>10,314.64</b>	<b>10,314.64</b>	-	<b>53.29</b>	<b>10,367.93</b>

Out of the total revenue recognised under Ind AS 115 during the year, ₹10116.19 crore is recognised over a period of time and ₹198.45 crore recognised point in time.

(₹ in crore)

Type of Product or Services	For the year ended March 31, 2022						
	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	5,909.63	468.26	<b>6,377.89</b>	6,377.89	-	9.83	<b>6,387.72</b>
Highway	796.15	-	<b>796.15</b>	796.15	-	2.07	<b>798.22</b>
Electrical	-	-	-	-	-	-	-
Building	141.99	-	<b>141.99</b>	141.99	-	-	<b>141.99</b>
Others	12.57	-	<b>12.57</b>	12.57	-	39.17	<b>51.74</b>
<b>Total</b>	<b>6,860.34</b>	<b>468.26</b>	<b>7,328.60</b>	<b>7,328.60</b>	-	<b>51.07</b>	<b>7,379.67</b>

Out of the total revenue recognised under Ind AS 115 during the year, ₹7160.08 crore is recognised over a period of time and ₹168.52 crore recognised point in time.

B. The Group 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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables (Note 14.2)	863.83	695.19
Contract Assets (Note 10.3 and 14.6)	2,816.55	2,251.35
Contract Liabilities (Note 22 and 24)	3,574.49	3,523.29

(i) Trade receivables are non-interest bearing and the customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. The Group's average project execution cycle is around

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days.

(ii) Contract Assets are recognised over the period in which services are performed to represent the Group'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 Group 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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract asset at the Beginning of the year	2,251.35	1,869.57
Contract asset at the end of the year	2,816.55	2,251.35
<b>Net increase/decrease</b>	<b>565.20</b>	<b>381.78</b>

For the year 2022-23 and 2021-22 - There has been a net increase of ₹565.20 crore and ₹381.78 crore respectively as compared to previous year mainly due to recognition of Revenue based on input method whereas bills for work done are certified based on contract condition.

During the year ended March 31st, 2023, ₹1021.14 crore and March 31st 2022, ₹462.04 crore of contract assets as of April 1st, 2022 and April 1st 2021 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract liabilities at the beginning of the year	3,523.29	2,413.83
Contract liabilities at the end of the year	3,574.49	3,523.29
<b>Net increase/decrease</b>	<b>51.20</b>	<b>1,109.46</b>

For the year 2022-23 and 2021-22 - There has been a net increase of ₹51.20 crore and ₹1109.46 crore respectively as compared to previous year mainly due to advance received from the client.

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

(₹ in crore)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amount included in contract liabilities at the beginning of the year	2,124.68	1,533.02
Performance obligation satisfied in previous years	-	-

#### E. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2023 is ₹Nil (As at 31st March, 2022: ₹Nil)

Amount of amortisation recognised in the tatement of profit and loss during the year is ₹Nil (FY 2021-22: ₹Nil)

#### F. Performance obligation

Information about the Group'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:



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For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

	As at 31st March, 2023	As at 31st March, 2022
Within one year	10,300.00	7,597.10
More than one year to 2 years	10,700.00	7802.72
More than 2 years	14,665.00	29,317.00
<b>Total</b>	<b>35,665.00</b>	<b>44,716.82</b>

### G. Change in Accounting Estimates related to the Revenue Recognition:-

Ircon Gurugram Rewari Highway Limited has used the cost incurred as input to measure the progress towards satisfaction of performance obligation due to the uncertainty in measuring the performance obligation of construction of highway road, revenue was recognised to the extent of cost incurred up to 31.03.2022. Considering the substantial construction progress of the project, Management has now evaluated cost & revenue position and included the profit margin in the revenue in the year ended 31.03.2023 using cumulative catchup adjustment. Amount of revenue recognised from the performance obligation satisfied in previous years is ₹24.80 Crore (₹ 0.13 Crore). Further, impact on the movement of contract asset is as under:

#### (i) Significant changes in the contract assets balances during the year are as follow:

(₹ in crore)

Particulars	Contract Assets
Contract Assets balance at the beginning of the year	24.80
Transfers from the contract assets recognized at the beginning of the year to receivables	(25.66)
Revenue recognized during the year, to be invoiced	72.30
Changes as a result of cumulative catch-up adjustment arising from change in estimates	0.86
Contract Assets balance at the end of the year	72.30

### Service Concession Arrangements

Public to private service concession arrangements are recorded in accordance with Appendix "C"- Service Concession Arrangements (Ind AS-115). Appendix "C" is applicable if:

- The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- The Grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, a financial asset is recognized to the extent that the operator has an unconditional contractual right to receive cash or other financial asset from or at the discretion of the Grantor for the service.

These financial 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 stated at amortized cost at the end of each financial year or

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.

Group has recognized financial asset of **₹846.04 crore** (₹1349.78 crore) under service concession agreement upto the period ended 31st March 2023 after taking into account the receivables due from NHAI on completion of milestone as per terms of the contract. The Group has recognised revenue of **₹550.97 crore** (₹ 431.86 crore) & Profit of **₹0.21** (₹ 74.43) Crore for the period upto 31st March 2023 on construction of Road under SCA as per Ind AS - 115 related to "Revenue

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31<sup>st</sup> March 2023

from Customers". The Group has recognized receivable under service concession arrangement and shown under Other Financial current Assets which it will receive as per terms of the contract based on the completion of milestone, as on 31st March 2023.

Group has recognized revenue of **₹33.07 crore** (₹28.55 crore) on construction of intangible assets under service concession agreement. Group has recognised **₹Nil** (₹Nil) as profit on construction of intangible assets under service concession arrangement. The revenue recognised in relation to construction of intangible assets under service concession arrangements represents the fair value of services provided towards construction of intangible assets under service concession arrangement. The group has recognised revenue of **₹196.32 crore** (₹ 167.93 crore) from operation of toll roads.

### 44. Leases

#### a) Group as a Lessee

The Group as a lessee has entered into various lease contracts, which includes lease of land, office space, guest house and vehicles. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Group also has certain leases of offices and guest house with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

#### Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 8.

#### Lease Liabilities

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

(₹ in crore)

Particulars	As at 31st March, 2023
<b>Balance at April 1, 2022</b>	0.16
Addition	0.34
Accredition of interest	0.02
Payments	(0.01)
<b>Balance at March 31, 2023</b>	<b>0.51</b>
<b>Current</b>	<b>0.09</b>
<b>Non-current</b>	<b>0.42</b>

#### Amounts recognised in Statement of Profit and Loss

The maturity analysis of the lease liability is included in Note - 32 Financial risk management objectives and policies under maturities of financial liabilities.

(₹ in crore)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation expense of right-of-use assets (Refer Note 31)	0.38	0.37
Interest expense on lease liabilities (Refer Note 30)	0.02	0.01
Expense relating to short-term leases (Refer Note 28 (iii))	5.67	4.96
	<b>6.07</b>	<b>5.34</b>

The Group has several lease contracts that include extension and termination options. These options are negotiated by management and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Following are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

Particulars	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-

#### b) Group as a Lessor

The Group has given building, Plant & Machinery and MFCs under operating lease which are cancellable by giving appropriate notices as per respective agreements.

- (i) Lease in respect of sub-leasing of MFCs- **₹27.87 crore** (₹14.34 crore). The one time down payment received/receivable from sub-lessee are recognised as income in the Statement of Profit & Loss on straight line basis over the lease term on pro rata basis.
- (ii) The Group has given buildings under operating lease. Lease income (rental and service charges) aggregating **₹14.18 crore** (₹ 9.10 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.
- (iii) The Group has given Machinery under operating lease. Lease income aggregating **₹4.55 crore** (₹ 13.54 crore) has been recognized in the Statement of Profit and Loss as per lease arrangement.
- (iv) The Group has given a demarcated area adjacent to the Toll Road, within the terms of the Service Concession Arrangement with NHAI, on Lease for a Petrol Pump to be operated by Hindustan Petroleum Company Limited ( HPCL ) and Lease and operations of Rest Area to Synergy Engineers Group Private Limited. An amount of **₹0.18 crore** ( ₹0.17 crore) was received from HPCL and **₹0.20 crore** ( ₹ 0.18 crore) from Synergy as Lease payments.

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

(₹ in crore)

	As at 31st March, 2023	As at 31st March, 2022
<b>Within one year</b>		
Demarcated Area	0.41	0.38
Multi Functional Complexes	14.16	20.25
Building	1.65	-
<b>After one year but not more than five years</b>		
Demarcated Area	0.91	1.08
Multi Functional Complexes	77.98	117.39
Building	35.57	-
<b>More than five years</b>		
Demarcated Area	2.17	2.40
Multi Functional Complexes	389.22	590.76
Building	30.06	-

#### 45. COVID -19 Disclosure

The Group has considered the possible effects that may result from Covid-19 in the preparation of its financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of Covid-19, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The actual impact of this global health pandemic may be different from that which has been estimated, as the Covid- 19 situation evolves in India and globally. However, the Company will continue to closely monitor any material changes to future economic conditions.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 46. Other Regulatory Disclosure

- The Group do not have any transactions with companies struck off in current year and previous year.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in current year and previous year.
- The Group have not traded or invested in crypto currency or virtual currency during the current year and previous year.
- The Group have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall in current year and previous year.:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall in current year and previous year.:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Group does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) in current year and previous year..
- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property in current year and previous year.
- The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority n current year and previous year..
- The Group has complied with the number of layers prescribed under the Companies Act, 2013 n current year and previous year.

#### 47. Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors

During the year, group has revised its accounting policy of "Property, plant, and equipment " for better presentaion. The changes made to the policy are highlighted in bold and do not have any impact on the group's profitability.

##### Property, Plant and Equipment

Depreciation on Property, plant and Equipment, excluding freehold land and leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013. However, in case of certain class of assets, the group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts.

#### 48. Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time on March 31,2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules,2023 as below:



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

Ind AS1- Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Error – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

#### 49. Other Disclosure

- a) (i) The Holding company has been claiming deduction under section 80 IA from AY 2000–01 to AY 2019–20. The deduction under section 80 IA has been allowed by Income Tax appellate Tribunal (ITAT) upto AY 2016–17. However, Income Tax Department has filled appeal before High Court against order of ITAT for the AY 2000–01. Upto AY 2019–20 company was offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign countries are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005–06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals. This issue has been allowed in favour of Ircon by ITAT upto AY 2016–17.
- (ii) The provision for income tax w.r.t earlier years has been written back/income tax expenses has been reversed amounting to ₹78.53 crores (March, 31 2022 92.53 crores) account of favourable orders received from Income tax authorities.
- b) There are certain other matters pending in litigations against the group before various courts and appellate authorities on account of claims by some contractors in cost plus projects. In such cases, the Group envisages reimbursement from the Clients in full as per the terms of contract and expects no economic outflow of resources. In this respect, a total claim of ₹1984.19 crore (₹ 1432.67 crore) is under litigation, for which provision of ₹6.59 crore (₹ 3.93 crore) has been made which has been reimbursed by the client. The Holding Company has also made counter claims on the contractors of ₹340.09 crore (₹ 615.65 crore). Interest on claims is not considered, being unascertainable.
- c) Hon'ble High Court has permitted to release an arbitration award, amounting to ₹97.96 Crore against NHA for UP-05 ,Orai Highway Project against submission of bank guarantee of equivalent amount. The Group has provided liability of equivalent amount till final decision of the Court.
- d) The Group has a system of obtaining periodic confirmation of balances from banks and other parties. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. However, management does not expect to have any material financial impact of such pending confirmations / reconciliations.
- e) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- f) 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.
- g) Previous year figures are shown under bracket () to differentiate from current year figures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

#### 50. Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31<sup>st</sup> March, 2023.

(₹ in crore)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other Comprehensive Income	Amount (₹)	As % of Consolidated Total Comprehensive Income	Amount (₹)
<b>Parent Company</b>								
Ircon International Limited	62.15%	3,247.01	92.40%	707.09	100.36%	11.10	92.52%	718.19
<b>Subsidiaries</b>								
Ircon Shivpuri Guna Tollway Limited	0.91%	47.36	(1.87%)	(14.34)	0.00%	-	(1.85%)	(14.34)
Ircon PB Tollway Limited	2.91%	152.06	(2.24%)	(17.17)	0.00%	-	(2.21%)	(17.17)
Ircon Davanagere Haveri Highway Limited	4.27%	223.29	3.45%	26.37	0.00%	-	3.40%	26.37
Ircon Infrastructure & Services Limited	3.26%	170.24	0.70%	5.34	(0.09%)	-0.01	0.69%	5.33
Ircon Vadodara Kim Express way Limited	5.52%	288.21	2.84%	21.74	0.00%	-	2.80%	21.74
Ircon Gurgaon Rewari Highway Limited	1.44%	75.07	0.48%	3.67	0.00%	-	0.47%	3.67
Ircon Renewable Power Limited	0.80%	41.58	0.00%	-	0.00%	-	0.00%	-
Ircon Akoli- Shirsad Expressway Limited	0.99%	51.80	0.04%	0.31	0.00%	-	0.04%	0.31
Ircon Ludhiana Rupnagar Highway Limited	0.02%	0.94	0.00%	-	0.00%	-	0.00%	-
Ircon Bhoj Morbe Expressway Limited	0.13%	6.77	0.00%	-	0.00%	-	0.00%	-
Ircon Haridwar Bypass Limited	1.59%	82.99	0.10%	0.78	0.00%	-	0.10%	0.78
<b>Total Subsidiaries</b>		<b>4,387.32</b>		<b>733.79</b>		<b>11.09</b>		<b>744.88</b>
Non- Controlling interest in Subsidiaries	0.25%	13.13	0.00%	-	0.00%	-	0.00%	-
<b>Net Amount of Subsidiaries</b>		<b>4,400.45</b>		<b>733.79</b>	<b>0.00%</b>	<b>11.09</b>		<b>744.88</b>
<b>Joint Ventures</b>								
Bastar Railways Private Limited	1.46%	76.12	(0.03%)	(0.24)	0.00%	-	(0.03%)	(0.24)
Chhattisgarh East Railway Limited	3.73%	194.90	(3.93%)	(30.04)	0.00%	-	(3.87%)	(30.04)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 31<sup>st</sup> March 2023

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other Comprehensive Income	Amount (₹)	As % of Consolidated Total Comprehensive Income	Amount (₹)
Chattisgarh East West Railway Limited	3.71%	193.60	(0.01%)	(0.06)	0.00%	-	(0.01%)	(0.06)
Ircon – Soma Tollway Private Limited	1.55%	81.23	7.82%	59.83	0.00%	-	7.71%	59.83
Jharkhand Central Rail Limited	2.73%	142.49	0.15%	1.18	0.00%	-	0.15%	1.18
Mahanadi Coal Railway Limited	1.49%	77.64	(0.01%)	(0.11)	0.00%	-	(0.01%)	(0.11)
Indian Railway Stations Development Corporation Limited	1.11%	58.19	0.11%	0.88	-0.27%	-0.03	0.11%	0.85
<b>Total Joint Ventures</b>		<b>824.17</b>		<b>31.44</b>		<b>(0.03)</b>		<b>31.41</b>
<b>Net Total</b>	<b>100%</b>	<b>5,224.62</b>	<b>100%</b>	<b>765.23</b>	<b>100%</b>	<b>11.06</b>	<b>100%</b>	<b>776.29</b>

#### As per our Report of even date attached

**For HDSG & Associates**  
Chartered Accountants  
FRN : 002871N

Sd/-  
**Harbir Singh Gulati**  
Partner  
M. No. 084072

Place : New Delhi  
Date : 24th May, 2023

#### For and on behalf of Board of Directors

Sd/-  
**Ragini Advani**  
Director (Finance)  
DIN-09575213

Sd/-  
**Brijesh Kumar Gupta**  
Chairman & Managing Director  
and CEO  
DIN-10092756

Sd/-  
**B. Mugunthan**  
Chief Financial Officer

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

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## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of consolidated financial statements of Ircon International Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) 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 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Ircon International Limited for the year ended 31 March 2023 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of subsidiaries (as per Appendix-I), but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities (as per Appendix-II) for the year ended on that date. Further, Section 139(5) and 143 (6) (a) of the Act are not applicable to IRCON-Soma Tollway Private Limited being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

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

Sd/-

**Dr. Nilotpal Goswami**  
Director General of Audit  
Railway Commercial, New Delhi

Place: New Delhi  
Dated: 09.08.2023









**इरकॉन**

इरकॉन इंटरनेशनल लिमिटेड  
**IRCON INTERNATIONAL LIMITED**

**ircon**

(A Govt. of India Undertaking)

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