



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

7th September, 2020

BSE Limited Listing Dept./ Dept of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip Code / ID: 541956 / IRCON	National Stock Exchange of India Limited Listing Department Exchange Plaza, Plot no. C/1, G Block Bandra –Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Code: IRCON
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Sub: Annual Report for the Financial Year 2019-20 and Notice of AGM

Dear Sir/ Madam,

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, please find enclosed herewith the Annual Report for the financial year 2019-20 and the Notice of 44th Annual General Meeting (AGM) to be held on Tuesday, 29th September 2020 at 11.30 A.M. through Video Conferencing/ Other Audio Visual Means, to transact the business as set out therein.

The Annual Report for the financial year 2019-20 and the Notice of AGM is also available at the website of the Company i.e. www.ircon.org.

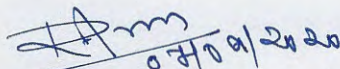
Please take note of above information on record.

Thanking you,

Yours faithfully,

For Ircon International Limited




(Ritu Arora)

Company Secretary & Compliance Officer
Membership No.: FCS 5270





GLORIOUS

44 years



ANNUAL REPORT 2019-20

Creating **Quality Infrastructure**,
Marking **International Presence**

इरकॉन

इरकॉन इंटरनेशनल लिमिटेड
IRCON INTERNATIONAL LIMITED

ircon

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To view Annual Report 2020 online, visit:
<https://www.ircon.org>

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GLORIOUS
44 years

Creating **Quality Infrastructure**, Marking **International Presence**

From the very beginning, IRCON has played an indelible part in creating transformative infrastructure assets. These means of societal progress are indeed enabling India into becoming a modern and advanced economy. We share a common objective with our Government for enriching the country, which constantly motivates us to develop path-breaking infrastructure that adds to India's economic growth and strengthens the position on the global map.

At IRCON, we have always followed a prudent and conservative business approach. Our persistent focus on building a strengthened balance sheet and sustainable business model has been the driving force of our success over the years. We believe that our proven leadership, in-house talent pool, strong partnerships, and the ability to evaluate new opportunities, define us as a leader in the industry. We take immense pride in knowing that we are one of the foremost companies in the country that connects places and people, while helping in the development of a nation.

In these testing times of unforeseen sudden disruptions, we remain deeply committed to creating collaborative and sustainable ways to move forward and keep a steady momentum of building infrastructure. In doing so, we aim to prioritize and deliver on the expectations of our clients, our employees, our shareholders and of society at large. Going forward, we recognise that our role in the essential infrastructure industry places an imperative responsibility on us towards creating quality infrastructure and marking international presence.

IRCON AT A GLANCE

IRCON is a rapidly growing integrated engineering and construction company specialising in major infrastructure sectors.

Listed

2018

Employees

1369

Countries

25

Projects

390+

In India

128+

In 25 other countries

SERVICES



Project Management
Consultancy



Engineering, Procurement &
Construction



Public Private
Partnership



Real Estate

- » Railways
- » Highways
- » Bridge & Flyovers
- » Buildings
- » Electrical
- » Signalling & Telecom
- » Mechanical
- » Coach Factory
- » Station Building
- » MFC
- » Aviation

**INDUSTRY
SECTORS SERVED**

INFORMATION TECHNOLOGY

Mobile Apps:

IRCON Tenders,
IRCON CSR,
IRCON Careers

SAP ECC
Based ERP

SAP Business Objects

E-Procurement by
NIC's GePNIC

WHAT DRIVE US



VISION: ----- What we **aspire** to do

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



MISSION: ----- What is our **goal**

Our mission is to effectively position the company so as to meet the construction needs of infrastructure development 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: ----- How we **operate**

1. Constructive Approach
2. Teamwork
3. Performance Excellence
4. Probity in work and dealings
5. 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
Website: www.ircon.org
CIN : L45203DL1976GOI008171

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ritu Arora

STATUTORY AUDITORS

M/s. K.G. Somani & Co.
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,
YES Bank,
HDFC Bank,
State Bank of India,
IndusInd Bank and
ICICI Bank.

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited
"Karvy Selenium Tower-B",
Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramugda,
Serilingampally, Hyderabad-
500032, Telangana
Website: www.kfintech.com
E-mail: einwards.ris@kfintech.com
Ph: +91 40 6716 2222, 7961 1000

SHARES LISTED AT

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

DEPOSITORIES

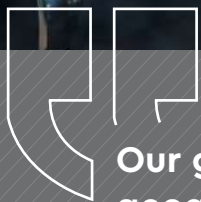
**National Securities Depository
Limited** (NSDL)
**Central Depository Services (India)
Limited** (CDSL)

SCRIP CODE

BSE: 541956
NSE: IRCON

ISIN NO.

INE962Y01021



Our goal is to diversify across sectors and geographies while enhancing our healthy profit margins and comfortable liquidity position, which will contribute to our operational performance.

S.K. Chaudhary
Chairman & Managing Director

CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me immense pleasure to present to you the 44th Annual Report of your Company.

I am proud to say that IRCON is on a steady Growth path, and continues to perform above the industry average in India. Since 1985, we have actively worked towards becoming a diversified infrastructure player, both in terms of sectoral and geographical coverage. We have progressively diversified into providing an entire gamut of construction activities and infrastructure services. We are a strong footed, that has achieved significant milestones in executing challenging projects across the world. So far, we have delivered over 128 projects in 25 countries across the globe and over 390 projects in India. As per the 2020 edition of the USA's Engineering New Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 international contractors.

OUR OPERATIONAL PERFORMANCE AND ACHIEVEMENTS

During FY2020, the Railway sector contributed 80.98% to our total revenue. Our primary focus and strengths have consistently remained deeply rooted in the railway sector. However, we are also concentrating on building our highways business, and this year its share in the total revenue has

increased to approximately 18.32% as compared to 12.56% of the last year's share and share of electrical, building and other works in total revenue is approx. 0.70%.

IRCON's order book, as on March 31, 2020 stood at ₹30,713 crore with ₹26,064 crore value of work of Railways sector both on competitive and on nomination basis. In the domestic market, we have completed several projects in areas of Railway tracking, Highways, Bridges and Flyovers, Electricals, Signalling and Telecom, tunnels, and lining and railway electrification amongst others. We continue to actively participate in new projects in foreign countries, including our ongoing project in Bangladesh, Algeria, Sri Lanka, Nepal & Myanmar. By continuing to diversify our business and geographical focus, we strive to secure a broader range of projects to maximise business volume and profit margins.

During FY2020, we have won an International Railway contract worth approximately ₹637.22 crore under LOC Scheme of EXIM Bank from Sri Lanka Railways under the Ministry of Transport & Civil Aviation, Government of Sri Lanka. The contract is to upgrade the Northern Railway line of 128 Km and associated work from Maho-Omanthai in Sri Lanka. Our team is also making concerted efforts to secure project contracts in Thailand, Turkey, Ghana, Mozambique, Rwanda, UAE, Malaysia, Oman, and Guinea. In addition to this, we are gradually moving from individual projects to collaborated projects in partnership by forming joint ventures with local companies. We believe that this strategy will enable us to generate revenue and profits on a sustained basis.

OUR PERFORMANCE IN FY2020

During FY2020, we recorded a total income of ₹5,442 crore which is the highest ever as against ₹4,680 crore in the previous financial year. Our turnover for the year stood at ₹5202 crore as against ₹4,415 crore in FY2019, marking an increase of 18%. Around 95.60% of our total income has been recorded from our operational activities. Out of the total income, 8.75% (₹476 crore) has been achieved through international projects.

Order book as on
March 31, 2020

₹30,713 crore

CHAIRMAN'S STATEMENT CONTINUED

On a consolidated basis, we have recorded total income of ₹5,540 crore during the FY2020 as against ₹4,990 crore in the previous financial year, and achieved a consolidated Net Profit of ₹485 crore for the said fiscal as against ₹450 crore in the previous financial year.

For FY2020, the Board has recommended a final dividend of ₹2.06/- per equity share on the face value of ₹2/- each amounting to ₹96.87 crore, out of the profit for the financial year. With this, the total dividend for FY2020 would be aggregated to ₹223.38 crore (approx.) (i.e. 237.50% on the paid-up equity share capital of ₹94.05 crore), which includes Interim Dividend of ₹126.50 crore. The total dividend works out to 45.60% of the post-tax profits and 5.37% of net worth as on March 31, 2020.

Furthermore, I would like to mention that the Statutory Auditors have not given any qualification or remarks in the Auditors' Report (except for few suggestions), and the Comptroller & Auditor General of India (C&AG) is yet to give their comments for the FY2020.

SUBSIDIARY AND JOINT VENTURE COMPANIES

As on March 31, 2020, IRCON has five wholly-owned subsidiary companies, out of which four are Special Purpose Vehicles (SPVs) created for execution of projects of NHAI. IRCON also has 50% shareholding in two joint venture (JV) companies and 26% shareholding in five JV companies incorporated mainly for coal connectivity projects in the States of Chhattisgarh, Jharkhand, and Odisha. The details of all subsidiaries and joint venture companies are provided in the Directors' Report.

RECOGNITIONS

The rating of the Company under the Memorandum of Understanding for the year 2018-19 signed with the Ministry of Railways has been 'Excellent' as was in the year 2017-18. The Company expects to achieve 'Excellent' rating for the year 2019-20 also.

I am confident that with the sustained efforts of IRCONIANS we will achieve the enhanced performance targets. Apart from these recognitions, your Company's has been conferred various awards during the FY2020, which have been detailed in the Directors' Report.

RESPONSIVE AND RESPONSIBLE

FY2020 witnessed the onset of COVID-19, an unprecedented global pandemic that is posing severe challenge to the world's strongest economies. The human tragedy has costed many lives and has brought about massive headwinds for

several businesses across the globe. As a response to the pandemic, we have taken necessary measures towards minimising the negative impact of the challenges on our business. Though the long-term directional priorities of our organisation remain firm, in light of COVID-19 and its expected impact on the operating environment, our key priorities include closely monitoring the supply chain, conserving cash and controlling fixed costs. However, we will continue to explore and invest in significant growth areas.

Furthermore, as a company that deeply considers its impact on society, we have taken various initiatives towards enabling financial, medical and community support in the fight against the pandemic. We have extended financial support of ₹20.50 crores towards the Prime Minister's Citizen Assistance and Relief in emergency Situation Fund (PM CARES Fund). Apart from this, we continue to make significant efforts towards the development and upliftment of the underprivileged sections of society. We do this through our CSR activities that are directed towards improving the quality of life of the underprivileged population of India.

CORPORATE GOVERNANCE

The Company is implementing the tenets of Corporate Governance in letter and spirit. Your company accords highest importance to transparency, accountability, and equity in all facets of its operations. Your Company is adhering to the provisions contained in the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, 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.

TOWARDS A PEOPLE-CENTRIC ORGANISATION

We recognise our employees as our most valued assets. Therefore, we take consistent strides towards their development and well-being. We are committed to creating and maintaining an ideal work culture for an engaged and capable workforce. We have strong values, pioneering practices, and collaborative work culture through joint consultation amongst the management. We believe in regularly expanding our workforce with new talented people who can drive innovation and development in our organisation. The total strength of our human resources as of March 31, 2020 stood at 1369. The total number of newly employed personnel is 64.

Additionally, we emphasise the development and career progression of our employees. Our people management team regularly organises training programs that are directed towards improvement and productivity. Through all these efforts, we aim to make IRCON an organisation that is people-centric and people-driven.

INFORMATION TECHNOLOGY

With emphasis on transparency and as a step towards a paperless office, e-office system from National Informatics Centre (NIC), i.e. Ministry of Electronics & Information Technology, Government of India has been implemented for online movement and approvals of files and note sheets and has replaced the physical file system. In order to improve upon efficiency and bringing transparency in the procurement process in the organisation, the e-procurement platform has been moved to GePNIC, which is developed by NIC. The Company is currently in the process of implementation of SAP S/4 HANA covering end-to-end business processes of the organisation.

FUTURE OUTLOOK

Going forward, we aim to continue and sustain our market leadership position by leveraging our strengths and opportunities. We are confident that with the support of our experienced management team and skilled workforce, we can successfully deliver high-quality projects across Indian and foreign markets. We endeavour to continue our strategy of diversifying across industry segments and increase orders from foreign countries. Our goal is to further enhance our healthy profit margins and comfortable liquidity position, which will also contribute to enhancing our operational performance. Furthermore, we intend to maintain a robust ESG (Environmental, Social and Governance) culture and adopt global best practices in all our processes and systems. IRCON has entered into an MOU with National Investment and Infrastructure Fund Limited (NIIFL) to collaborate for equity participation in existing and future projects of IRCON. Also, an MOU has been signed with NIIFL and AYANA Renewable Power Private Limited (AYANA) to explore and collaborate on opportunities in the solar energy sector. The Company has also signed MOU with Larsen and Toubro Limited (L&T) to collaborate and jointly execute mutually beneficial business opportunities in sectors such as ports, harbours, bridges tunnels, metro rails in India and abroad. IRCON has also collaborated with BEML Limited for undertaking railway projects including supplying and maintaining the rolling stock manufactured by BEML in countries where BEML and IRCON have business interest and presence.

The Ministry of Railways has decided to invite PSU companies for significant railway projects which offers further opportunities to embark on high-quality government projects. Further, the Company is exploring additional infrastructure development opportunities in sync with the priority projects of the Government such as Smart City Mission and Metro Rail. It is also pursuing opportunities in the highway projects in Indian states, connecting habitations with rural roads through Pradhan Mantri Gram Sadak Yojana (PMGSY), re-development of railway stations. Additionally, the Company has been entering into various strategic Memorandum of Understanding (MOU) to explore new business opportunities.

On the International front, IRCON is aggressively pursuing infrastructure projects in countries such as Bangladesh and Sri Lanka. The Company will also be participating in the African countries for railway and highway projects. IRCON has also signed an MoU with RZD International, which is a state-owned Russian Railways Company to explore opportunities for joint development of railways and other infrastructure projects in Asia, Africa, and Latin America. In order to pursue potential opportunities in railway, highway and building projects in Malaysia, the MOU had been signed with M/s Apex Communication Berhad, Malaysia.

ACKNOWLEDGEMENT

Finally, I would like to convey my sincere gratitude to all Board Members, our stakeholders for their constant support and trust in IRCON. Also, I am humbled by the efforts of several frontline warriors such as doctors, healthcare workers, municipal officials, army, and police, amongst other people in the essential services. I am also thankful for the whole-hearted support received from the Government of India, other Ministries and Departments of Government of India, Financial Institutions, Banks, Comptroller & Auditor General of India (C&AG), Statutory Auditors, Cost Auditors and Secretarial Auditors. I, also sincerely place my appreciation for the good work done by all the employees at all levels of the Company for their commitment and hard work that has helped in delivering another successful year for the Company.

Best Regards,

Sd/-

S. K. Chaudhary
Chairman and Managing Director & CEO

Date: 31.08.2020

Place: New Delhi

BOARD OF DIRECTORS



SHRI SUNIL KUMAR CHAUDHARY,

Chairman and Managing Director & CEO

Shri Sunil Kumar Chaudhary (DIN:00515672), is Chairman and Managing Director and Chief Executive Officer (CEO) of our Company. He holds a bachelor's degree in Science (Civil Engineering) from University of Delhi and a master's degree in technology (management and systems) from the Indian Institute of Technology, Delhi. He also holds a post graduate diploma in alternative dispute resolution from Indian Law Institute.

He has 38 years' experience. In the past, he was on the board of companies such as National Buildings Construction Corporation (India) Limited and Housing and Urban Development Corporation Limited. He is having experience of overseeing the implementation/ execution and monitoring of projects in various segments of operation viz Project Management Consultancy (PMC), EPC Contracts and Real Estate Market, including operation and maintenance of projects after commissioning, induction and incorporation of new technologies in civil construction, business development in Indian and Overseas market, Project financing, monitoring of housing and infrastructure projects. He is also experienced in handling infrastructure projects such as railways, airports, flyovers and bridges etc. He has been on the board of IRCON since 29th October 2016 and is spear heading the entire operations of our Company.

He is recipient of "Distinguished Alumni" Award from DCE-DTU Alumni Association of Delhi College of Engineering in the year 2017, Udyog Rattan Award in the year 2018, Institute of Economic Studies (IES) Award, Sri Lanka, ET NOW: Stars of the Industry Award, ET NOW: World HRD Congress Award and 7th PSU Governance Now Award in the year 2019-20.



Our success is a result of strong commitment and continuous guidance from our Board.

**SHRI MUKESH KUMAR SINGH,**

Director (Finance) & CFO

Shri Mukesh Kumar Singh (DIN: 06607392), is Director (Finance) and the Chief Finance Officer (CFO) of our Company. He holds a bachelor's degree in Arts (Honours - Mathematics), a master's degree in Arts (Mathematics) from University of Delhi, M.Phil (Mathematics) and Post Graduate Diploma in Financial Management from IGNOU. He is an Indian Railway Accounts Service (IRAS) officer of 1990 batch.

Prior to joining IRCON, he was posted as FA & CAO (C), West Central Railway, Jabalpur. He worked as General Manager (Finance) in Rail Vikas Nigam Limited (on deputation) for about 4 years. He is experienced in handling accounts and finance matters such as handling railway, expenditure, construction organization, dealing with Statutory Audit (C&AG) etc. Further, he played a pivotal role in implementing a pan-railway online accounting package system and other Relational Database Management System (RDBMS) packages of accounting and finance in zonal headquarters and divisions in the railway system along with being a member of the team computerizing the railway finance and accounts in two major divisions. He has been on the board of IRCON since 1st May 2016. He has also received various awards like Ministry of Railways Award (in 1998), General Manager Award (2004) etc.

**SHRI YOGESH KUMAR MISRA,**

Director (Works)

Shri Yogesh Kumar Misra (DIN:07654014), is Director (Works) of our Company. He is B. Tech., Civil Engineering from Indian Institute of Technology (IIT), Delhi.

He belongs to Indian Railway Service of Engineers (IRSE) officer of 1987 batch and prior to joining our Company, he has over 31 years of rich and varied experience in Railways. He is experienced in Project Development and Consultancy for turnkey railway and highway projects involving, detailed survey, alignment design, tunnels, bridges etc. He has previously held the position of Executive Director (Works) in IRCON. He has been on the board of IRCON since 28th December 2018.

**SHRI SHYAM LAL GUPTA,**

Director (Projects)

Shri Shyam Lal Gupta (DIN:07598920), is Director (Projects) of our Company. He holds a bachelor's degree in Civil Engineering from University of Roorkee and has completed his executive master of science in project management from School of Professional and Executive Education (SPEED), Asia e University.

He joined IRCON in 2006 and prior to that, he has worked with Indian Railways for 27 years. He is experienced in infrastructure sector and has worked in different capacities in Indian Railways. He was Executive Director (General) in IRCON before being appointed as Director (Projects). Under his supervision, many projects were completed within the scheduled time in Sri Lanka. He has been on the board of IRCON since 1st November 2019.

BOARD OF DIRECTORS CONTINUED



SHRI ASHUTOSH GANGAL,

Government Nominee Director

Shri Ashutosh Gangal (DIN:07057313), holds a bachelor's degree in Mechanical and Electrical Engineering from Indian Railway Institute of Mechanical & Electrical Engineers, Jamalpur (IRIMEE) and is an officer of the Indian Railways Service of Engineers of 1983 batch. He has over 35 years of rich and varied experience in Railways. He is presently working as Additional Member (Planning), Railway Board, Ministry of Railways, Government of India, handling planning and budgeting of Railway Infrastructure projects including prioritization of investment and execution. He is also the coordinator for National Infrastructure Pipeline Projects in the Railway Board. His past assignments include Principal Chief Mechanical Engineer at West Central Railway, Jabalpur; Senior Dy. General Manager at Central Railway, Mumbai and Divisional Railway Manager at Vadodara; a stint at Container Corporation of India Limited on deputation for about four years and as Chief Workshop Engineer in charge of Furnishing division of Integral Coach Factory, Chennai. He has also worked in the Vehicle Dynamics Group & Research directorates in RDSO, Lucknow. He has been on the Board of IRCON since 27th August 2020.



SHRI HARI MOHAN GUPTA,

Government Nominee Director

Shri Hari Mohan Gupta (DIN:08453476), holds a bachelor's degree in Civil Engineering from University of Roorkee and is an officer of the Indian Railway Service of Engineers of 1989 batch.

He is presently working as Executive Director (Works), Railway Board, Ministry of Railways, Government of India. He has vast experience of Track maintenance, Track machine operation, Store tendering system besides General Administration and Human Resource Management. Before the present assignment, he was on deputation to Dedicated Freight Corridor Corporation of India Limited (DFCCIL) as a Chief Project Manager, Noida responsible for Rewari, Dadri, Detour sections of Western Freight Corridor. He has been on the board of IRCON since 15th May 2019.



DR. CHITTA BALASATYA VENKATARAMANA,

Independent Director

Dr. Chitta Balasatya Venkataramana (DIN:03179171), is an Independent Director of our Company. He holds a master's degree in commerce from Sri Venkateswara University, master's degree in arts (economics) from University of Madras and a master's degree in health science from the John Hopkins School of Hygiene and Public Health, Baltimore, MD, USA. He also holds a doctorate in public health from University of Illinois at Chicago, USA.

He is a retired officer of the Indian Administrative Services. He has experience in the public services sector. He has been on the board of IRCON since 28th September 2017.

**SHRI ASHOK KUMAR GANJU,**

Independent Director

Shri Ashok Kumar Ganju (DIN:07014589), is an Independent Director of our Company. He holds a bachelor's degree in science (civil engineering) from University of Delhi and a master's degree in technology (water resources) from Indian Institute of Technology, Delhi. He also holds a post-graduate diploma in hydraulics from IHE Delft Institute for Water Education, Netherlands.

Presently, he is providing consultancy on water resources development projects to PSUs. He was ex-officio additional secretary to the Government of India and retired as a member, design and research, Central Water Commission in 2012. He was the chairman of Ganga Flood Control Commission, Patna from May 2010 to August 2011. He has experience in the planning and designing of water resources development, flood management, hydro and thermal projects, dam safety inspections, resolution of disputes between the project authorities and contractors and advising on construction related problems. He has been on the board of IRCON since 8th March 2018.

**DR. NARINDER SINGH RAINA,**

Independent Director

Dr. Narinder Singh Raina (DIN:07968391), is an Independent Director of our Company. He holds a bachelor's degree and a master's degree in science (forestry) from Dr. Yashwant Singh Parmar University of Horticulture and Forestry. He also holds a degree of doctorate of philosophy (forestry) from Dr. Yashwant Singh Parmar University of Horticulture and Forestry.

He was posted as the range officer grade 1, Jammu and Kashmir, Department of Forest and then as the assistant professor agroforestry with Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu. He is experienced in education sector and is presently working as an associate professor with Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu. He has been on the board of IRCON since 17th October 2017.

SENIOR EXECUTIVES



SHRI A.K. GOYAL,
Executive Director (Projects)



SHRI R.S. YADAV,
Executive Director (General)



DR. SUBHASH CHAND,
Executive Director (Electricals)



SHRI RAMGOPAL,
Project Director (Mumbai)



SHRI PRAMOD KUMAR SINGH,
Project Director (Patna)



DR. SHAILESH KUMAR SINHA,
Project Director (Katni)

IRCON IN NEWS

IRCON, NIIFL, Ayana sign solar energy MoU

IRCON INTERNATIONAL, a mini-ratna public sector enterprise, has signed a memorandum of understanding (MoU) with National Investment and Infrastructure Fund (NIIFL) and Ayana Renewable Power (AYANA), an NIIF platform company, to explore and collaborate on opportunities in the solar energy sector. According to the MoU, NIIFL and Ircon will evaluate strategic partnerships across infrastructure projects and have agreed in-principle to identify, bid and execute solar energy projects through joint ventures/consortium arrangements.

IRCON supported Multi Skill Development Training Centre in Khora Colony (Ghaziabad) since 2018-19



The certificate distribution program held on 22.02.20 at S.M.S Public School, Khora Colony, Ghaziabad, showcased the vibrant CSR partnership between Ircon International Limited, Bisnoli Sarvodaya Gramodyog Sewa Sansthan (BSGSS) and the District Administration in skilling and empowering the marginalised women in Khora through sustainable livelihood projects. It is a remarkable achievement that with Ircon's generous support, BSGSS enabled over 88% of the previous batches of beneficiaries to become self-reliant either by job placement or setting up micro-enterprises of their own post completion of training in trades like Cutting and Tailoring, Beauty Culture, Computer Operation and English Speaking.

IRCON and RZD International sign MoU for joint development of Infra projects

Ircon International Ltd has signed a Memorandum of Understanding (MoU) with RZD International LLC, to explore opportunities for joint development of railways and other infrastructure projects in Asia, Africa and Latin America. According to MoU both parties have agreed to form a joint Indian – Russian working group. This group will look into ways of developing strong partnership to coordinate, plan and subsequently implement projects in field of railways and other infrastructure not only in India but also in countries of mutual interest. Commenting on the MOU S. K. Chaudhary, Chairman & MD, IRCON, said, "IRCON has been constantly looking to establish strong partnership with the companies, wherein we can mutually benefit from our expertise. This MOU is a step towards building a long term business relationship which will help us to enhance our presence in different geographies".

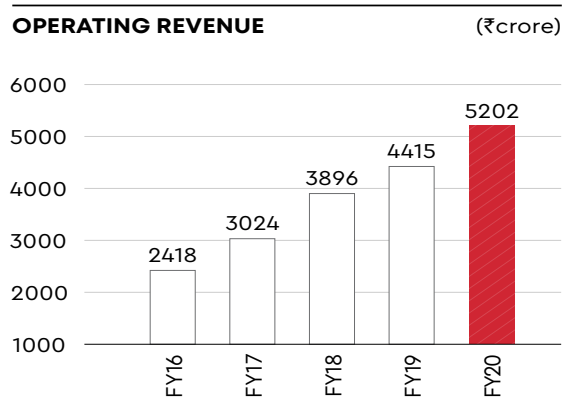
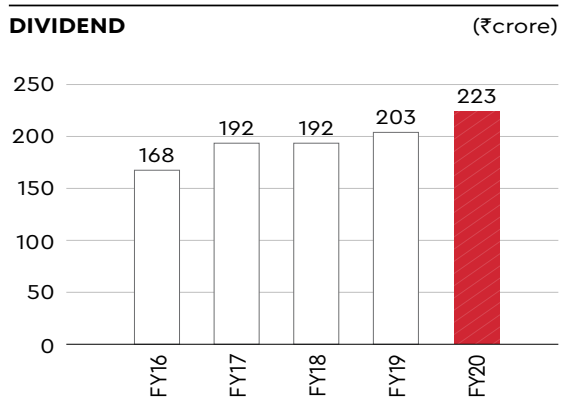
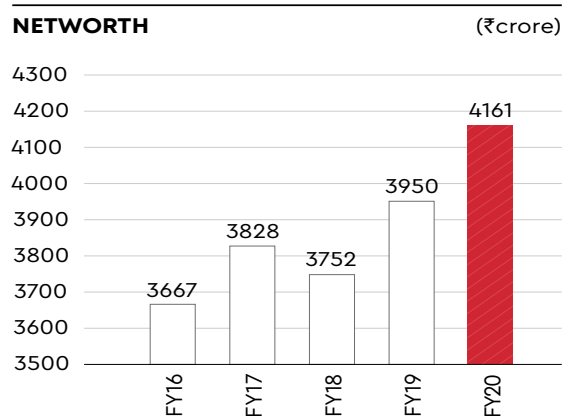
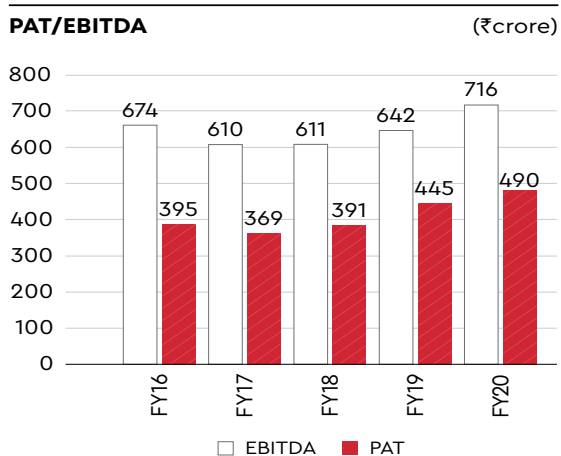
IRCON contributes Rs 20.5 crore to PM Cares Fund

Ircon International Ltd (IRCON) has come forward to provide an additional financial assistance of Rs. 15.5 crore to Prime Minister Cares Fund for fighting COVID-19. This amount is in addition to Rs 5 crore assistance announced earlier. Company's total contribution to PM-CARES Fund now amounts to Rs 20.5 crore, including contribution of Rs 51 lakh by the employees. S. K. Chaudhary, Chairman & Managing Director, IRCON said that the Covid-19 is one of the biggest challenges that our country is facing and it has been unprecedented in its severity. We at IRCON, has always been at the forefront in times of need for the country." IRCON employees have also come forward and supported company's endeavor by donating their one day's salary for this COVID-19 fund. Total amount of Rs 51 lakh was contributed by all employee of Ircon International Ltd.

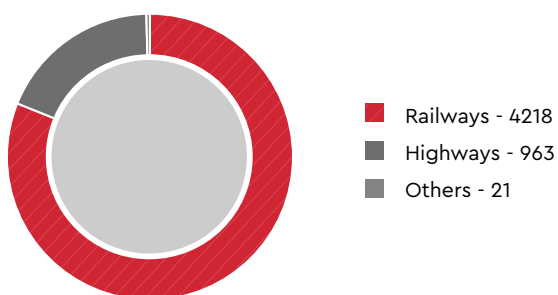
Ircon International posts 16% rise in March qtr profit

STATE-OWNED ENGINEERING AND construction firm Ircon International on Friday reported a 15.73% rise in its consolidated net profit to ₹115.40 crore for the quarter ended March 31, 2020. Consolidated net profit was ₹99.71 crore in the corresponding period a year ago.

KEY PERFORMANCE INDICATORS (STANDALONE)



SEGMENT REVENUE (₹crore)



Our consistent growth is a testimony of our well devised business strategies and constant effort to improve our performance.

FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ in Crore)

Sl. No.	Particulars	Ind AS					IGAAP				
		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
1	Operating Income	5,202	4,408	3,870	2,934	2,418	2,950	4,067	4,232	3,601	3,182
2	Add/Less: Company Share of Turnover in Integrated JVs	-	7	26	90	-	89	(9)	(13)	(23)	(7)
3	Add: Company Share of Profit/(Loss)in Integrated JVs	-	-	-	-	-	2	(1)	1	2	7
4	Net Operating Income	5,202	4,415	3,896	3,024	2,418	2,864	4,057	4,220	3,580	3,182
5	Other Income	240	264	227	230	442	258	250	251	181	72
6	Total Income	5,442	4,679	4,123	3,254	2,860	3,122	4,307	4,471	3,761	3,254
7	Expenditure (Incl.increase/decrease in stock)	4,735	4,048	3,577	2,766	2,222	2,267	3,024	3,412	3,102	2,816
8	Operating Margin (PBDIT)	707	631	546	488	638	854	1,283	1,059	659	438
9	Interest Expenses	18	4	-	12	8	-	-	-	-	-
10	Depreciation	16	12	13	18	28	10	34	44	57	37
11	Exceptional items	-	-	-	(74)	-	-	-	-	-	-
12	Profit Before Tax	673	615	533	532	602	844	1,249	1,015	602	401
13	Profit After Tax	490	445	391	369	395	579	907	730	470	241
14	Dividend for the Year *	223	203	192	192	168	182	182	148	94	49
15	General Reserve	3,334	3,334	3,334	3,334	3,334	3,334	2,971	2,277	1,733	1,372
16	Retained Earnings	733	517	311	390	318	-	-	-	-	-
17	Other Comprehensive Income	(4)	(0.32)	9	5	(5)	-	-	-	-	-
18	Foreign Project Reserve	-	-	-	-	-	-	-	-	-	-
19	Other Reserves	5	5	4	-	-	-	2	3	-	-
20	Total Reserves & Surplus	4,067	3,856	3,658	3,729	3,647	3,334	2,973	2,280	1,733	1,372
21	Net Fixed Assets	271	128	134	137	149	163	170	180	196	244
22	Inventories	321	332	141	139	141	114	119	125	135	165
23	Foreign Exchange Earnings (net)	15	33	64	24	59	418	1,042	822	444	428
24	Share Capital	94.05	94.05	94.05	98.980	19,796	19,796	19,796	19,796	9,898	9,898
25	Capital Employed	6,007	6,510	6,952	3,828	3,667	3,354	2,993	2,300	1,743	1,382
26	Government Investments	-	-	-	-	-	-	-	-	-	-
27	Net Worth	4,161	3,950	3,752	3,828	3,667	3,354	2,993	2,300	1,743	1,382
28	Profit Before Tax to Capital Employed (%)	11	9	8	14	16	25	42	44	35	29
29	Operating Margin to Capital Employed (%)	12	10	8	13	17	26	43	46	38	32
30	Profit After Tax to Share Capital (%)	521	473	416	373	1,995	2,924	4,578	3,687	4,747	2,429
31	Expenditure to Income (%)	87	87	87	85	78	73	70	76	82	87
32	Number of Employees (No.)	1,369	1,576	1,622	1,496	1,499	1,472	1,579	1,704	1,703	1,678
33	Income per Employee	3.98	2.97	2.54	2.18	1.91	2.12	2.62	2.62	2.21	1.94
34	Foreign Exchange Earning per Employee	0.01	0.02	0.04	0.02	0.04	0.28	0.66	0.48	0.26	0.25
35	Current Ratio	1.15	1.32	1.66	2.02	1.99	1.72	1.81	1.61	1.47	1.53
36	Debt/Equity Ratio	0.44	0.65	0.85	-	-	-	-	-	-	-
37	Investments	1,469	1,314	1,201	1,223	743	737	494	295	208	185

NOTES:

** 28 TO 31 ARE IN PERCENTAGE
*** 32, 35 & 36 ARE NOT IN CRORE RUPEES

OUR AWARDS & RECOGNITION



GOLDEN PEACOCK AWARD
For Corporate Social Responsibility



INSTITUTE OF ECONOMIC STUDIES (IES) AWARD, SRI LANKA
Outstanding Global Leadership Award to CMD IRCON



7TH PSU GOVERNANCE NOW AWARD
Increasing Geo-Strategic Reach Award



GOLDEN PEACOCK AWARD
For Risk Management



7TH FICCI QUALITY SYSTEMS EXCELLENCE AWARD FOR INDUSTRY
For Good Practices in Quality Systems



16TH ICAI NATIONAL AWARDS FOR EXCELLENCE IN COST MANAGEMENT
Infrastructure and Construction Services (First position)



ET NOW: STARS OF THE INDUSTRY AWARD
Talent Leadership Award - For Excellence in HR (Organisational Award)
CEO with HR orientation Award to CMD IRCON



Our performance has been continuously recognised with awards and accolades from several renowned institutions.



7TH PSU GOVERNANCE NOW AWARD
PSU Leadership Award to CMD IRCON



SKOCH ORDER OF MERIT
For Capacity Building and Training (HRM)



ET NOW: WORLD HRD CONGRESS AWARD
Business Leader of the Year Award to CMD IRCON



SKOCH ORDER OF MERIT
For Mechanisation of Track Laying Process through Automatic NTC Machine



ET NOW: WORLD HRD CONGRESS AWARD
National Best Employer Brand Award



SKOCH ORDER OF MERIT
For Shivpuri-Guna Highway Project

OUR BUSINESS OVERVIEW

Why **IRCON** has a strong proposition?

ABOUT US

We are an integrated engineering and construction company, specialising in major infrastructure sectors including railways, highways, bridges, flyovers, tunnels, aircraft maintenance hangars, runways, EHV substations, electrical and mechanical works, commercial and residential properties, development of industrial areas, and other infrastructure activities. We provide EPC services on a fixed-sum turnkey basis as well as on an item-rate basis for various infrastructure projects. IRCON also executes projects on Build, Operate and Transfer (BOT) / Hybrid Annuity Mode (HAM) basis by leveraging the financial strength of the Company to sustain future earnings.

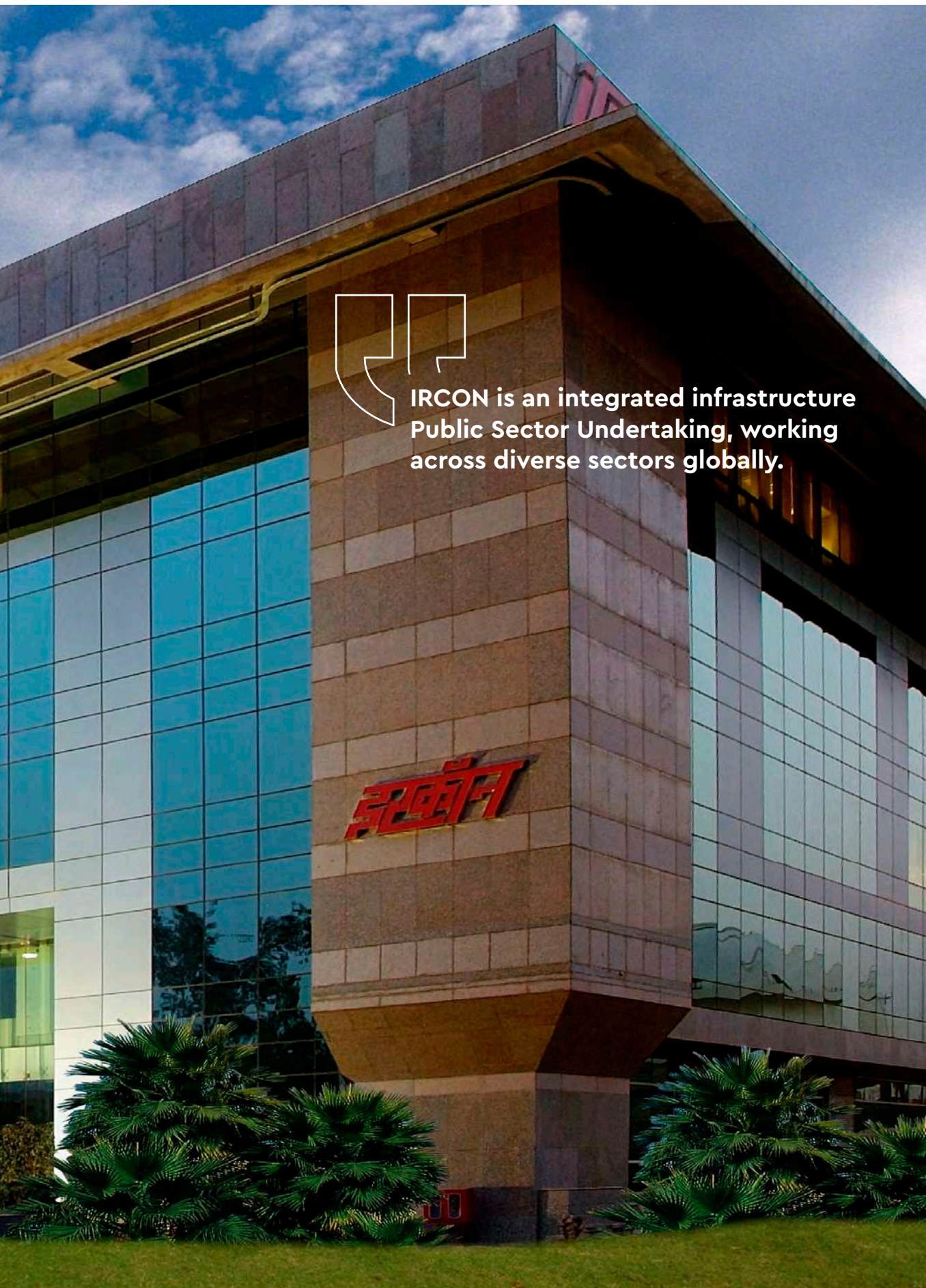
IRCON AS A LEADER

IRCON is only PSU going for competitive bidding, cost effectiveness in the delivery is the mantra. We have a long-standing reputation as a sectoral leader in transportation infrastructure amongst the public sector construction companies in the country with specialisation in execution of Railway Projects on turnkey basis or otherwise. We are known for our quality solutions, commitment, and consistency in terms of our performance.

OUR HISTORY

We have executed many landmark construction projects in the last 44 years both in domestic and international markets. The Company has actively focused on becoming a diversified infrastructure player, both in terms of sectoral and geographical coverage. After commencing business as a railway construction company, it diversified progressively since 1985 into entire gamut of construction activities and infrastructure services; even though, its primary focus and strength are still deeply rooted in the railway sector.

Where technologies were complicated and geographically the projects were at the extreme locations, IRCON was right up there in the front – in 1983 where we executed a project in Iraq; 1st workshop in Kapurthala after independence, modern India executed several projects like present Sivok Rangpo. We have expanded not only domestic, but also internationally – in 25 countries.



**IRCON is an integrated infrastructure
Public Sector Undertaking, working
across diverse sectors globally.**

OUR BUSINESS OVERVIEW CONTINUED



OUR SERVICE PORTFOLIO



Engineering, Procurement and Construction (EPC)

We offer a broad range of services from concept to commissioning in the gamut of EPC projects. We execute EPC projects that involve high complexity and sophistication in the field of railways, highways, tunnels, bridges, road over bridges, rail cum road bridges across major rivers, airport hangar and runways, metro rail, buildings, extra high voltage transmission lines and grid substations, industrial electrification, signalling and telecom systems, amongst others. Right from the phase of execution till its successful commissioning, we are backed by an experienced team of design engineers, technical staff, project management personnel and an extensive fleet of equipment.



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 DBFOT 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 and Consultancy (PMC)

We offer comprehensive wide-ranging PMC services from planning to commissioning in the entire spectrum of projects. These PMC services 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.



OUR CERTIFICATIONS

We are an ISO certified company recognised for quality, environment, occupational health and safety management systems, Schedule 'A' and a Mini Ratna Category I public sector listed company. CARE Ratings have reaffirmed its 'CARE AAA; Stable/ CARE A1+' to the long term bank facility of IRCON.



OUR VALUE CREATION MODEL

At IRCON, we use valuable resources in our primary process and through our operations and proven expertise, we create output that generate value for stakeholders and society.

OUR RESOURCES

We deploy best quality resources in our operations to deliver world-class projects.

HUMAN CAPITAL

1,369 Workforce Strength
68 Women Employees
9.9% Attrition Rate

FINANCIAL STRENGTH

₹5,202 crore Operating Revenue for FY2020
₹769.04 crore Cash & Cash Equivalents
17.83% YoY Revenue Growth
9% PAT Margin

RAW MATERIALS AND EQUIPMENT

We engage with top sub-contractors who ensure that raw materials strictly adhering to specifications come in. We also deploy modern equipment to for construction efficiency and faster completion.

Various Sub-Contractors

1,424 Machinery

TECHNOLOGY AND INNOVATIONS

We keep ourselves updated with the latest technological developments. We are also adopting latest digital innovations.

NATURAL CAPITAL

We adopt the best environmental and sustainable practices. Alignment with UN SDGs for development.

OUR GROWTH DRIVERS

Our growth is motivated by several factors that provide us the strength to lead the market.

DIVERSIFIED SECTORS & GLOBAL PRESENCE

We have diversified into various infrastructure sectors. We are offering construction and infrastructure development services to different industries. In terms of geographical coverage, we have undertaken projects in 25 countries.

FINANCIAL PERFORMANCE AND CREDIT PROFILE

We have a strong credit profile that includes non-fund based standby bank limits of ₹3,850 crore. Our financial position is characterised by healthy profitability margins and a comfortable liquidity position

ORDER BOOK AND EXECUTION

Our order book as on 31st March, 2020 was ₹ 30,713 crore translating into around 6 times of our total operating revenue. Steady execution and timely deliveries of projects makes us the preferred infrastructure partner for our clients.

POOL OF EXPERTS

Our efficient talent pool and proven management team are the pillars that drive organisational success.

PERFORMANCE AND PROFITABILITY

As of today, IRCON has delivered 518 projects successfully. We have 40 on-going projects with an order book of ₹30,713 crore. More than 80% of our revenue is generated from the Railway industry.

Read more about IRCON's financial performance, on page 43

WORKFORCE

Being a progressive organisation, IRCON firmly believes in the strength of its most critical asset, that is, Human Capital. Our Human Resource Management primarily focuses on policies and systems pertaining to our employees. Our policies and initiatives are designed to accelerate employee performance to meet the strategic objectives of the organisation.

Read more about IRCON's Human capital, on page 30

COMMUNITIES

IRCON has a demonstrated history of contributing towards the environmental and community development. We have continued our CSR and sustainability from the year 2010-11. Our social vision is to perform our CSR Initiatives in line with our policy of conducting business in a socially responsible and sustainable way, keeping the needs and expectations of the key stakeholders on focus in various business activities.

Read more about IRCON's initiatives towards community, on page 34

Glorious 44 Years

SERVICE & EXPERTISE



OUR CLIENT BASE

As on date, we have around **44** clients. Out of these, **14** clients belong to the international markets and **30** clients of the Indian market.

OUR OUTPUT

Our resources together with our growth drivers facilitate us to generate exceptional outcomes.

PERFORMANCE & PROFITABILITY

Over 128 successful projects, 40 on-going projects in the portfolio.

Increased profitability margins and Improved operating and segment revenues. Competitive edge due to advanced technology and efficient progress-oriented construction methodology

WORKFORCE

Engaged, skilled, and highly efficient employees encouraging employment enhancing people's lives and

Safe working environment.

COMMUNITIES

Environment protection and sustainability

Conservation of energy, technology absorption and upgradation

Quality education and skill development

Upliftment of underprivileged groups

Cleanliness and sanitation

₹10.04 crore spent on CSR Activities

OUR CONTROLS AND SYSTEMS

Robust Contract Management

We have a well-established dynamic contract management system that actively tracks and manages the deliverables and strives to ensure that there is firm compliance of the contractual terms and conditions. To improve customer satisfaction, we also aim to provide timely response and solutions to our clients.

Efficient Planning and Project Management

We have dedicated project management teams with strong management and execution expertise and capabilities to ensure smooth operations for both our domestic and international projects. We believe that a good track record and reputation for timely completion enhances our position as a domain player in the Indian infrastructure segment and enables us to secure a fair share of large-size contracts, both domestically and internationally.

Advanced Technology and Innovations

We are proactively using modern construction techniques, technology and equipment that match the dynamic market standards. We attempt to achieve high efficiency and on-time performance by consistently cooperating with leading consultants and manufacturers to innovate and develop advanced methods.

WHAT DIFFERENTIATES US? DEFINING IRCON'S STRONG INVESTMENT THESIS

DIVERSIFIED GLOBAL INFRASTRUCTURE PSU

IRCON is a leading integrated engineering and construction PSU. It specialises in large and technologically complex infrastructure projects in various sectors such as railways, highways, bridges, flyovers, tunnels, aircraft maintenance hangars, metro, S&T, runways, EHV sub-stations, electrical and mechanical works, commercial and residential properties, development of industrial areas, amongst other infrastructure activities.

As per the 2020 Edition of Engineering News Record (ENR) of USA, we are the only Indian PSU to make it to the list of top 250 International Contractors. Being one of the leading infrastructure players in the country, IRCON is one of the key partners for undertaking premium projects announced by the Government of India.

The Company has a diversified project portfolio and caters to both domestic and international markets. It has a track record of delivering milestone infrastructure projects across 25 countries.

**Read more about our business on
page 26**

RELIABLE BUSINESS STRENGTH

IRCON has a proven track record of delivering high quality projects on time. The execution capabilities and expertise possessed by our workforce acts as a driving force behind our continuous success.

Year after year, we remain successful in recording consistent operating profit and foreign exchange inflow levels. Our industry leadership is reflected in our operating history, industry knowledge, and our in depth understanding of civil and other infrastructure construction projects. Our uniqueness is demonstrated through our geographical and sectoral diversification combined with a carefully formulated contract management system.

What further differentiates us is our tested legacy of delivering quality projects, often on a demanding timeline. The resilience of our business is also a result of our strategically diversified operations that help us in confining the risks linked with a particular industry. We believe that our financial strength and operational efficiency combined with long years presence in construction sector makes us a leader in the infrastructure space.

**Read more about our strengths on
page 28**



WELL QUALIFIED AND EXPERIENCED HUMAN CAPITAL

As a company that recognises its workforce as its most valuable asset, we take significant strides towards the growth and well-being of our employees. Our efforts are often centred around creating a workplace that cultivates productivity through continuous development initiatives. On the top of this, we regularly monitor and ensure a safe and congenial environment for our workforce.

Our growth is also powered by our management team whose expertise has enabled us to achieve our business objectives. Their commitment towards the company's success has played a pivotal role in helping us emerge as a market leader.

To enhance productivity of our workforce, we regularly invest in the overall development of our people through various training programmes.

We are proud to be one of the organisations with a committed workforce that is skilled in delivering timely projects even in the most challenging geographical landscapes.

Read more about our human capital on page 30

PROPELLING GROWTH STRATEGIES

Being a PSU that is competitively-ahead, we are always focused on formulating effective growth strategies to record consistent success. We are actively present across both domestic and international markets. This helps us in enhancing our portfolio with high-quality projects from across the world.

To build healthy profit margins, we aim to capitalise on our favourable position in the market in terms of expertise and balance sheet strength. One of the many aspects of our business strategy is to transform from a construction company into a well-diversified organisation with a portfolio of BOT, DBFOT, EPC and HAM projects. Additionally, we are actively exploring opportunities to develop collaborated projects through Joint Ventures and Special Purpose Vehicles.

Furthermore, we intend to expand our scope of services by pro-actively bidding for quality projects and exploring new modes of operation.

Read more about our growth strategies on page 32

ROBUST ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Our Environmental, Social and Governance (ESG) mechanism is integrated across our business operations. We have carefully developed policies and principles that govern our business systems and processes. We regularly ensure and conform to transparency, teamwork, trust and integrity, performance orientation, accountability, social responsiveness, and ethical business practices in our endeavour to comply with the best standards.

Our Corporate Governance framework has been a vital part of our business. It is derived from our strong belief that a good governance system is critical for generating sustainable value for our company while also maintaining the trust of our stakeholders.

We recognise our responsibilities towards the environment and communities that surround us. Therefore, we take various initiatives that are focused on the upliftment and development of society.

Read more about our ESG framework on page 34

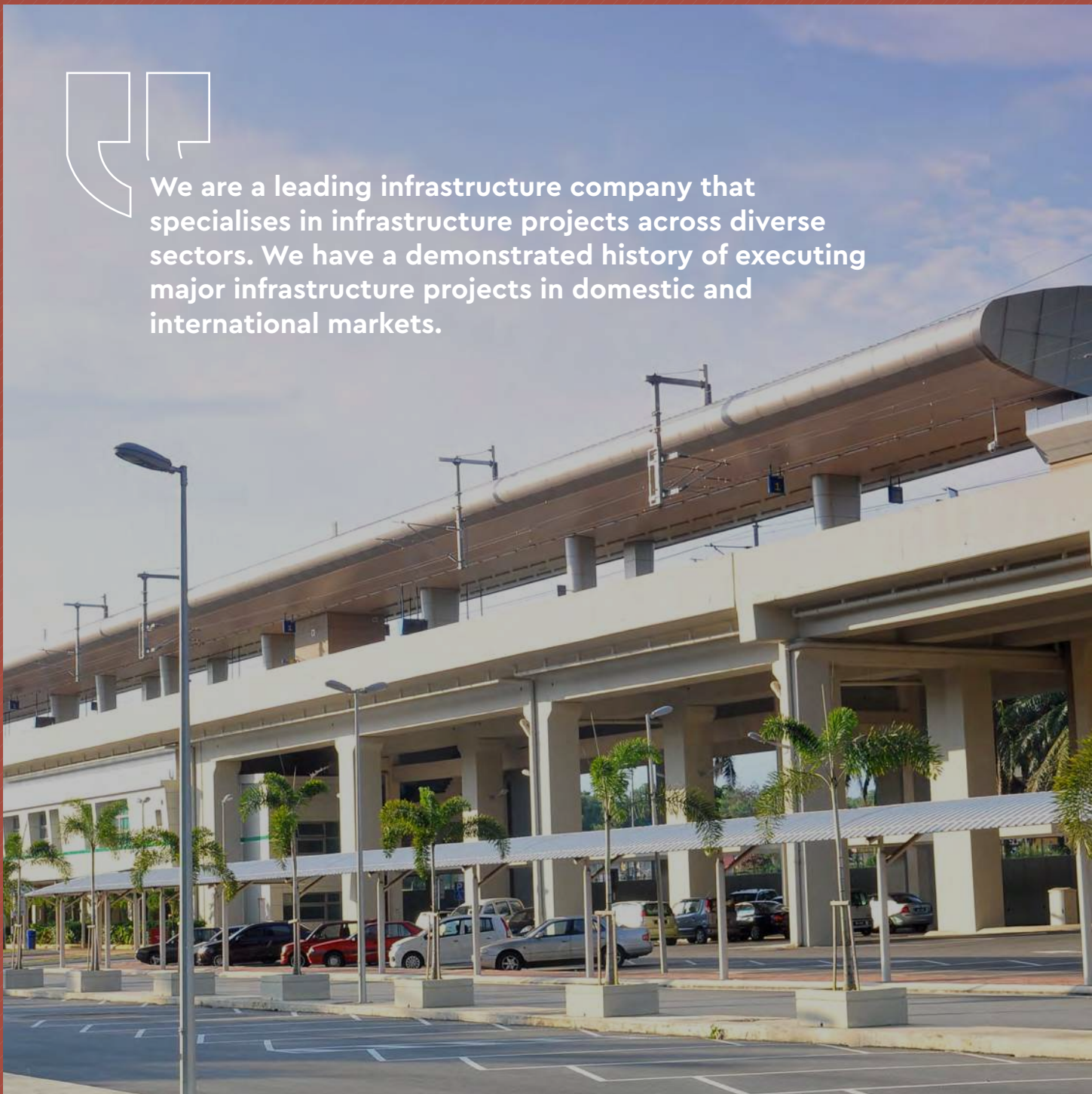
THE LEADING INFRASTRUCTURE PSU:

DIVERSIFIED

IRCON is leading the infrastructure industry with its expertise in delivering diverse projects in domestic and international markets.



We are a leading infrastructure company that specialises in infrastructure projects across diverse sectors. We have a demonstrated history of executing major infrastructure projects in domestic and international markets.





Since inception, we have diversified into various infrastructure sectors. Our efforts, over the years, have made us an established player, particularly in the fields of railway and highway construction. Through our broad range of services, we also cater to needs of our clients in areas such as the construction of commercial and residential complexes, power transmission lines, industrial lighting, bridges and flyovers, tunnels, commercial, residential, and retail properties, electrical and mechanical work, metro, signalling and telecom, coach factory, station building, multi-function complex, and aviation.

As of today, we have executed 518 projects and have 40 on-going projects. The range of projects that we undertake supports us in diversifying our construction business and reduces our dependence on a specific sector. We believe that having a diversified project portfolio is our main strength and proves to be a distinguishing factor while operating in dynamic market conditions. Furthermore, our wide geographical footprint has facilitated us to meet our objective of gradually upgrading from a construction company to a diversified company with a portfolio of BOT, DBFOT, EPC and HAM projects. It has also helped us to achieve high project development and operational capabilities through Special Purpose Vehicles created in the form of Joint Ventures and Subsidiary companies.

We believe that having a diversified project portfolio is our real strength and proves to be a differentiating factor while operating in dynamic market conditions.

For several years now, our consistent efforts have made us an established player, particularly in the fields of railways and highways construction.

As one of the leading PSUs, our demonstrated history of executing high-quality projects offers us a significant advantage in pursuing new opportunities, even amidst the increasing stringent pre-qualification criteria for projects. In order to capitalise on the anticipated market growth, we continuously target projects based in local and global markets, while also focusing on enhancing our revenue through our ventures in the Indian market.

Today, we believe that our consistent efforts, better adaptive governance, and a conservative approach towards capital allocation has fuelled our growth and has helped us to stand as a reputed infrastructure company with exceptional market leadership qualities. We are confident that these characteristics will further contribute to IRCON's promising future.

International Clients

14+

Total Projects Delivered

518+

Domestic Clients

30+

ACHIEVING MARKET LEADERSHIP:

STRENGTH

Our industry excellence is reflected in our reliable execution capabilities and timely delivery of projects.



IRCON demonstrates strong industry leadership through its operating history, industry knowledge, experience, and understanding of civil and other infrastructure construction projects.

Our business strength can be attributed to several factors. Our reasonably strong balance sheet and our proactive efforts in bidding and winning tenders in the infrastructure space differentiates us in the marketplace. We have a positive track record of winning, executing and delivering projects on time, which further provides us with the reputation and credentials to keep earning noteworthy projects in the future. Our balance sheet strength, along with a prudent cost assessment allows us to bid and secure larger projects. Our proven history of on-time and

quality project completion has helped us to develop a strong reputation and elevate our opportunities to win premium tenders.

Throughout the years of our operations, we have put in place well-tested systems and controls that include robust contract management; efficient project management; design innovations and advanced technology. These systems act as unique Selling Points for our Company. We believe that our growing order book is an outcome of the successful execution of projects, and it has further allowed us to bid and win new contracts successfully. The growth in our order book, together with our diversified business activities across transportation, engineering, and building construction confines the risks associated with a particular industry, while simultaneously helping us to benefit from the synergies of operating in diverse business sectors. In addition to this, our ability to deliver projects within demanding timelines has further enabled us to minimise cost overruns.

Of course, every construction firm faces the contractual, administrative, and financial challenges which sometimes overshadow the commitment to complete a project however in our 44 years of distinguished career the record of completing the projects is 100%.

Our strong financial position together with our successful efforts to meet the rising pre-qualification requirements of our clients, has enhanced our competitiveness in our target market. It has enabled us to maintain the momentum in our order book growth.

As we move ahead, our focus is to remain as the most preferred infrastructure company for all our clients. We strive to deliver world-class projects while meeting all the requirements in a stipulated timeframe. We believe that our financial strength and operational efficiency makes us a leader in the infrastructure domain.

Our strong balance sheet and proactive efforts in bidding and winning tenders in the infrastructure space differentiates us in the marketplace.





Operating Revenues
recorded in FY2020

₹5,202

On-going Projects

40

The growth in our order book, together with our diversified business activities confines the risks associated with a particular industry, while simultaneously helping us to benefit from the synergies of operating in diverse business sectors.

NURTURING OUR MOST VALUABLE CAPITAL:

WORKFORCE

Our fundamental priority is our team, which is the driving force behind our success and our ability to cater to a vast clientele.



At IRCON, we appreciate the critical role that our employees play towards the success of the organisation. We believe that a company is only as strong as its people. Therefore, we leave no stone unturned when it comes to the development and wellbeing of our employees.





We are proud to be one of the organisations with a talented workforce that is adept in delivering timely projects even in the most difficult geographical terrains.

We are continuously focused on creating a workplace that has a productive and positive work environment, which attracts, develops, and retains a diverse and united team that shares with us the mutual goal of organisational success.

We have a qualified and trained workforce that executes large scale projects. We are proud to be one of the organisations with a talented team of employees that is skilled in delivering timely projects even in the most difficult geographical terrains. The diverse and notable skill sets of our employees offer us the flexibility to adapt to the needs of our clients and the technical requirements of the projects that we undertake. We recognise our people as our most important pillar. We rely on them to operate the modern construction equipment, accomplish various tasks on our complex projects and deliver quality performance to our clients, often on a demanding timeline.

What further fuels the organisation's growth is its expert leadership team that is qualified and experienced in construction and infrastructure development. It is their excellent intellectual strength and quality that has been instrumental in the implementation of our business strategies over the years. On average, our Key Management Personnel has professional experience of 27 years, with an average association of 9 years with the organisation. It is their lasting commitment and dedication that has been the force behind the uninterrupted growth of our organisation.

As a company that is primarily focused on the development of its human capital, we continuously invest in strengthening our workforce through regular on-job skill development programs and training. In addition to our regular workshops and seminars, we have also launched various schemes such as educational scholarships, one-time educational grants for admission to professional degrees, diploma courses and educational awards.

It is one of our top priorities to create and maintain a congenial and safe working atmosphere for our women employees.

For many years now, we have recognised the importance of creating a protected workplace for our women employees. It is one of our top priorities to provide a congenial and safe working atmosphere to them. To ensure this, we have an Internal complaints committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

As we move forward, our goal is to strengthen our human capital by continuously focusing on their growth. We aspire to maintain a relatively low employee attrition rate and retain our skilled employees for further stimulating our expansion. We intend to achieve this by consistently investing in them with quality development programs safer and healthier working environment.

Strength of our Workforce

1,369

Women Employees

68



OUR BUSINESS STRATEGY TO KEEP GROWING:

FUTURE OUTLOOK

Our prudent business growth strategies are the driving force behind our consistent strong performance.



Year after year, our objective continues to focus on developing prudent strategies that help us record excellent growth, even in a volatile economic environment.

We have actively concentrated on becoming a diversified infrastructure player, both in terms of sector and geographical coverage. We have extended our expertise into transportation engineering, civil and industrial construction, and other infrastructure projects. Additionally, with our established presence in the Indian market, we further intend to cover the unexplored areas within the country. We believe that this will help us in enhancing our portfolio with projects proposed by the Government of India and further consolidate our position in the infrastructure sector.

Given our long-standing reputation as one of the industry leaders in transportation infrastructure, with proven expertise in railway projects, a sizeable proportion of our business is driven by projects directly awarded by the government agencies. To uphold our reputation in the public sector and to build improved profit margins, we intend to capitalise

on our advantageous position in the market, both in terms of our expertise and financial position. 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.

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. Also, while 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. With sound expertise and solid performance, we expect to see steady growth in our business with a rise in the number of projects that we undertake.

We aim to broaden our scope of services by actively bidding for high projects and exploring new modes of operation. We are confident that our reliable business strategies combined with our balance sheet strength will continue to offer us exceptional business opportunities in the future.

We believe that we are well-positioned to execute projects through JVs and SPVs due to our strong technological capabilities and sound financial position.





We endeavour to enhance our portfolio with projects in the international markets to achieve healthy profit margins offered by these projects.

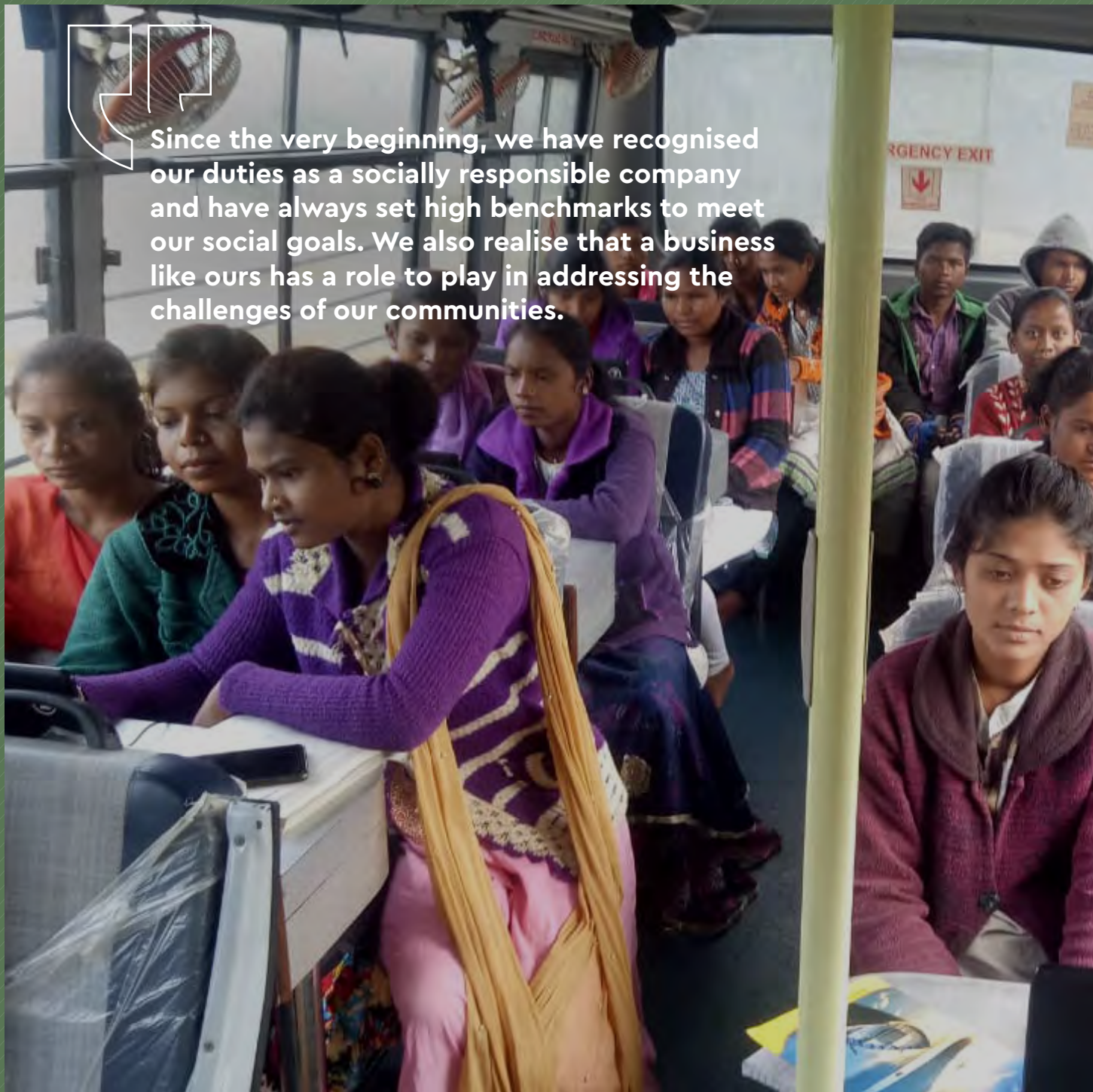
IRCON'S ROBUST ESG CULTURE:

RESPONSIBLE

We have thoughtfully developed a purposeful culture that aligns with our vision to drive our ESG initiatives.



Since the very beginning, we have recognised our duties as a socially responsible company and have always set high benchmarks to meet our social goals. We also realise that a business like ours has a role to play in addressing the challenges of our communities.



At IRCON, our Environmental, Social and Governance (ESG) framework is integrated across our business operations. Our ESG efforts are reflected in our policies and principles that govern how our organisation operates. Our ESG management is a thoughtful framework that includes critical factors such as a transparent governance system; investing in our employees and nurturing a diverse workplace; delivering high-value projects to our customers; and empowering the communities in which we operate.

We are a 'Mini-Ratna-Category-1' organisation with an established Corporate Governance framework. We understand the importance of having sound governance to maintain valuable relationships with all our stakeholders. To this end, we ensure transparency, teamwork, trust and integrity, performance orientation, accountability, social responsiveness, and ethical business practices to achieve the best standards and build confidence among our internal and external stakeholders. For several years now, our Corporate Governance framework has been a fundamental part of our business. It originates from our firm belief that robust governance is essential for creating sustainable value for our company.

Our business strategy aims to achieve consistent growth, which is sustainable, as well as responsive. In realisation of our 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. These policies recommend a set of systems driven by the fundamental principles of transparency, accountability, compliances, disclosures, ethical conduct, and the responsibility to encourage the interests of all stakeholders. In addition to this, our objective is also to build a productive workplace where our employees can work and grow. Therefore, we continuously invest in their skill development through

We continuously strive to make a positive impact on our communities through various welfare initiatives, which are thoughtfully designed to combat social challenges.

various training programs. Our Human Resources team adopts and innovates best-in-class practices to create improved benchmarks in productivity. Additionally, the team proactively develops significant welfare and engagement schemes for our employees, with a purpose to keep them motivated.

We consistently strive to make a positive impact on the communities in which we operate. We have developed thoughtful initiatives in the areas of hunger, poverty, education, economic welfare, and environment protection. To successfully execute our efforts, we collaborate with several Non-Profit Organisations who share with us a mutual goal of societal benefit. Furthermore, we have a robust and reliable CSR & Sustainability committee that actively formulates essential activities while also regularly engaging with the communities through various platforms.

In our business history of 44 years, we have understood the critical role that a company like ours can play to bring social development. We also understand the importance of having transparent governance that builds trust with our stakeholders. Going forward, we aim to continue adopting global standards and best practices for maintaining effective governance that drives both sustainable and responsible growth.

As a responsible business organisation, we follow the highest standards of ethical business operations and global best practices to build trust with our stakeholders.

Our CSR Spent for FY2020

₹10.04 crore

MANAGEMENT DISCUSSION AND ANALYSIS



GLOBAL ECONOMIC OVERVIEW

The global economy is expected to be severely impacted by the significant headwind of the COVID-19 pandemic. As per the International Monetary Fund (IMF), World Economic Outlook (April 2020) as a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much worse than during the 2008-09 financial crisis. The JP Morgan global manufacturing Purchasing Managers' Index (PMI) published by IHS Markit improved from 42.4 in May 2020 to 47.8 in June 2020, while the global services PMI accelerated from 35.1 in May, 2020 to 48.0 in June, 2020. This improvement was attributed to business optimism coupled with relaxations of COVID-19 restrictions in many countries.

Globally, the interest rates for June 2020 were near zero, and in some countries, the rates moved into negative territory. The world's central banks were quick to slash key policy rates and support the economy. The global economy also witnessed a significant price movement in two of the most traded commodities Crude oil and Gold. The crude oil prices plunged to an 18 year low of US\$23 per barrel. Similarly, gold prices skyrocketed to more than US\$2,000 per ounce.

INDIAN ECONOMY

FY2020 started with the National Democratic Alliance (NDA) winning the General Elections, indicating continuity in the Central Government's economic policies. However, the Indian economy witnessed a continued downfall due to stress in the non-banking financial sectors, global trade wars between the USA and China, and a sharper than expected slowdown in domestic demand.

The Indian economy grew marginally by 4.2% in FY2020, majorly impacted by a decline in the domestic consumption demand and the emergence of the COVID-19 outbreak. The Index of Industrial production declined marginally by 0.7%, while the consumer durables and consumer non-durables segment witnessed a growth of 5.5% and 4% in FY2020. Additionally, inflation stayed within the Reserve Bank of India's (RBI) comfort zone. The Wholesale Price Index (WPI) based inflation and Consumer Price Index (CPI) based inflation stood at 4.78% and 3.24%, respectively.

India's foreign exchange reserves as on March 2020

US\$470 million



The infrastructure sector is expected to be a significant growth engine for the Indian economy and is instrumental in driving the country's overall development.

Range-bound inflation always offers scope for a rate cut. In FY2020, the RBI relaxed its monetary policy by delivering total Repo rate cuts of 185 bps. Additionally, it obliged to lower inflation and maintain the accommodative stance by reducing the Repo rate by 75 bps in March 2020. As of 30th June, 2020, the Repo rate stands at 4.0%. The RBI has further undertaken a series of measures to enhance the liquidity position, such as a CRR cut of 100 bps resulting in the 3% CRR rate along with injecting liquidity in the system through TLTRO (Targeted Long-Term Repo Operations).

In May, 2020, India unveiled a massive economic stimulus package of ₹20.97 lakh crore (USD 26.6 Billion), under the 'Atmanirbhar Bharat' or 'Self Reliant India' scheme. The entire package is classified into six segments and is expected to significantly impact multiple sectors across the economy.

India's foreign exchange reserves stood at US\$470 million as of March 2020. The Government revised its fiscal deficit target from 3.3% to 3.8% for FY2020 and pegged at 3.5% for FY2021.

In FY2020, COVID-19 had an unprecedented impact on the economy. Amidst, all the negativity and chaos, India continues to witness a silver lining through lower crude oil prices, increased GST collections, a favourable demographic dividend, sustainable economic policies, amongst others.

INDUSTRY OVERVIEW

The infrastructure sector is expected to be a significant growth engine for the Indian economy. The industry is instrumental in driving India's overall development and enjoys a strong policy emphasis on implementing policies that would ensure timely construction of the country's world-class infrastructure. The sector includes power, bridges, dams, roads, railways, tunnels and

MANAGEMENT DISCUSSION AND ANALYSIS

urban infrastructure development. Infrastructure development drives growth and is a critical factor to achieve the ambitious goal of US\$5 trillion (equivalent to ₹373.38 lakh crore approximately) economy by 2025. Creating new infrastructure and upgrading existing structures will be the key to bolstering India's competitiveness. It is also expected to significantly contribute to the success of the 'Make in India' programme. In addition to this, the infrastructure sector is labour-intensive and helps in improving the employment and income generation in the economy, which further stimulates domestic demand.

The infrastructure sector has been impacted by the global pandemic COVID-19. The industry is facing multiple issues such as labour migration, liquidity crunch, and logistics challenges amongst others. The availability of human capital is crucial for both operating assets and under-construction assets. Furthermore, liquidity will be necessary to prevent any defaults on payments or debt restructuring. The supply of raw materials is also challenging, given that there are certain logistical constraints. The infrastructure sector has been given the go-ahead to start operations, but the industry needs to overcome all the other challenges.

The Government of India has taken a plethora of initiatives to push the infrastructure sector. Specific notable developments have been initiated such as Bharatmala project, Electrification of railway tracks, Dedicated Freight Corridors (DFCs), focus on the Metro and High-speed trains, Sagarmala project, Construction of Roads and Highways, amongst others. Some of the announcements in Union Budget 2020-21 were:

1. India plans to spend US\$1.4 trillion (Equivalent to ₹104.55 lakh crore approximately) on infrastructure over the next five years
2. The Government has allocated ₹1,69,637 crore for transport infrastructure
3. Indian Railways received an allocation of ₹72,216 crore

The National Infrastructure Pipeline (NIP) foresees infrastructure outlay at ₹111 trillion over FY2020-25. The NIP is looking to reform the financial sector through promoting Green Finance, revitalising



Creating new infrastructure and upgrading existing structures are expected to be the keys to bolstering India's competitiveness and significantly contribute to the success of the 'Make in India' and Atmanirbhar initiative.

the bond and credit market, selling land and non-operational Public Sector Undertaking (PSU) assets. Additionally, the NIP is also focussing on other measures such as Toll Operate Transfer (ToT) monetisation, Infrastructure Investment Trusts (InVIT) and Real Estate Investment Trusts (ReITS), expansion of municipal bond markets and securitisation of infra loan assets, amongst others. Infrastructure finance is dominated by the banks, but the increased allocation of funds from the Pension and Insurance Fund to the sector is required. Asian Development Bank (ADB) is expected to invest US\$100 million (Equivalent ₹747.43 crore approximately) into the National Investment and Infrastructure Fund (NIIF) of India. ADB's investment in NIIF would help to increase the availability of long-term growth financing.

RAILWAYS SECTOR

The Indian Railways is one of the largest rail systems in the world with a network spanning 1,23,236 km, with 13,452 passenger trains and 9,141 freight trains from 7,349 stations serving 23 million passengers and 3 million tons (MT) of freight a day. It plays a critical role in aiding economic and social development of the country through connectivity, mobility, and commercial activities.

The size of the railway market is directly determined by the budget of the Ministry of Railways. This falls under two categories - the capital expenditure for setting up new lines, doubling, gauge conversions, track renewals, signalling improvements, railway electrification and buying new rolling stock, amongst others.

Network of the Indian Railways

1,23,236 km

¹<https://economictimes.indiatimes.com/news/economy/finance/adb-to-invest-100-million-in-niif-fund-of-funds/articleshow/74883240.cms>



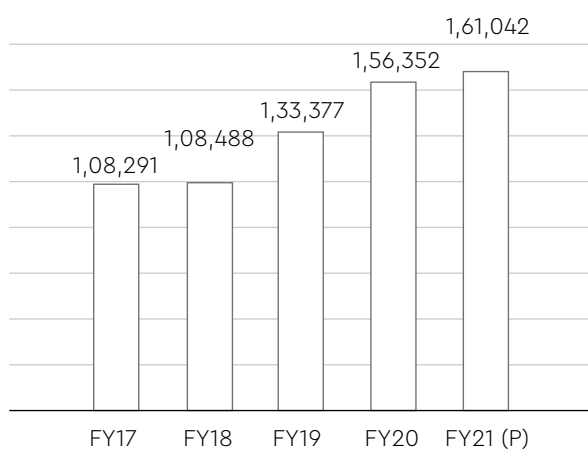
Indian Railways has focussed on several projects for removal of bottlenecks and enhance safety. Some of the measures are rebuilding of bridges, construction/strengthening of foot over bridges, yard re-modelling, commissioning of doubling and electrification etc. As of June 2020, two projects of doubling with electrification in Varanasi division, North Eastern Railway were completed on 13th June. One of these projects is Kachhwa Road to Madhosingh Section and the second is 16 km of Manduadih to Prayagraj Section. This resulted in decongestion of east - west routes and facilitation of freight movement.

The Central Government supports Railways to expand its network and invest in capital expenditure. In 2019-20, the gross budgetary support from the Central Government was at ₹66,105 crore. This is 25% increase from the revised estimates of 2018-19 (₹53,060 crore). As per Union Budget 2020-21, Ministry of Railways have been allocated ₹72,216 crore. Railways spending has seen a sharp jump over the past few years. The expenditure has increased at steadily over the years, CAPEX of Indian Railways for 2020-21 has been pegged at an all-time high of ₹1,61,042 crore. The overstretched infrastructure of Indian Railways is driving investments in the sector.

Gross budgetary support from the Government for 2019-20

₹66,105 crore

CAPITAL INVESTMENT BUDGETED IN INDIAN RAILWAYS (₹crore)



Key announcements and proposals related to Railways made in Budget 2020-21 include:

- » Railway reforms in the current budget tackled a wide range of issues, including enhanced customer service and faster and timely delivery of freight, high-speed rail corridor, multi-road transport network, vendor registration systems.
- » Setting up a large solar power capacity alongside the rail tracks, on the land owned by the railways.
- » Four station re-development projects and operation of 150 passenger trains would be done through PPP mode. The process of inviting private participation is underway.
- » High-speed train between Mumbai to Ahmedabad would be actively pursued.

MANAGEMENT DISCUSSION AND ANALYSIS

GOVERNMENT INITIATIVES ON RAILWAYS INFRASTRUCTURE DEVELOPMENT:

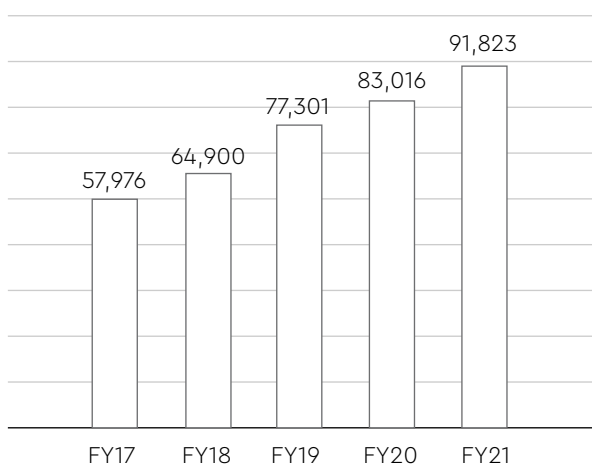
Railways are continuously increasing electrification for a better and pollution-free future. Railway electrification works have been completed on a total of 5,782 route kms, out of which 4,378 Route kms have been commissioned on electric traction during FY2020. The new line, Doubling and Gauge conversion commissioning increased to 2,226 km in 2019-20, which is nearly 50% more with reference to average annual commissioning achieved during 2009-14 (1,520 km/year). All the measures and policy actions are carried to make Indian Railways the 'Growth Engine' of the economy.

ROAD SECTOR:

India has the second-largest road network across the world, spanning over a total of 5.89 million km. This road network transports 64.5% of all goods in the country, and 80% of India's total passenger traffic uses the road network to commute. Road transport has slowly increased over the years, with better connectivity between cities, towns, and villages in the countries.

The Government's objective is to improve corporate investment in the sector, along with the implementation of business-friendly policies that combine productivity with successful project execution. The budgetary allocation for roads grew by 11% from ₹83,016 crore to ₹91,823 crore in FY2021.

BUDGETARY OUTLAY FOR ROADS (₹crore)

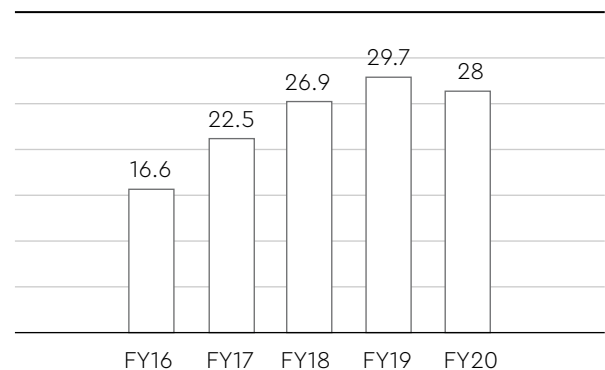
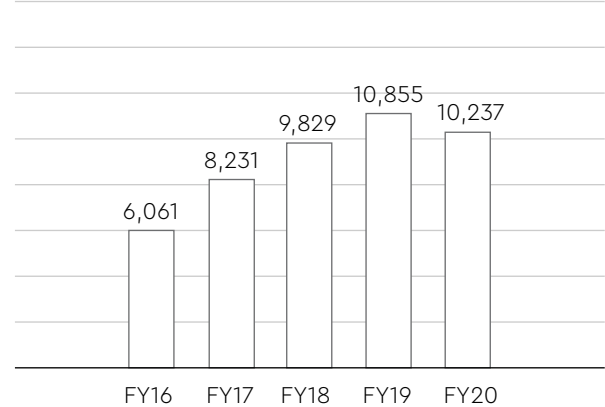


The Government has permitted 100% Foreign Direct Investment (FDI) in the road sector. Several foreign companies have formed partnerships with Indian players to capitalise on the sector's growth. The Government also aims to boost public-private investments in the road sector through various schemes like Bharatmala scheme, National Highway Development Project (NHDP), and Pradhan Mantri Gram Sadak Yojna (PMGSY), amongst others.

PMGSY has brought many socio-economic gains in rural areas. In Union Budget 2020-21, the Government has allocated ₹19,500 crore for PMGSY. Roads under PMGSY were to be built using green technology, waste plastic and cold mix technology, thereby reducing the carbon footprint. Total of 6,25,973 km road length has been constructed under the scheme since inception till date. The highway construction in India is growing at a robust pace over the years. Construction of 10,237 km of National Highways was completed during FY2020 as compared to 10,885 km in FY2019. The average length of the road constructed per day stood at 28 km during FY2020.

GOVERNMENT INITIATIVES AS TO FACILITATE IMPLEMENTATION OF ROAD PROJECTS:

HIGHWAY CONSTRUCTION (KM)



Construction of National Highways in India in FY2020

10,237 km

³ <https://www.hindustantimes.com/india-news/railways-says-key-projects-doubled-since-2009-14-lists-28-imp-works-finished-in-2029-20/story-Ezq7XKd8cOvr8b6ZgMETZK.html>

⁴IBEF

⁵Ministry of Road Transport & Highways

⁶Ministry of Road Transport & Highways

OUTLOOK

Infrastructure sector is a crucial enabler for growth. The government is also keen on the development of the infrastructure sector. According to the NIP, Infrastructure Vision 2025, will focus on 'Meeting Aspirations, Propelling Growth and Facilitating Ease of Living'. According to NIP, total of ₹19.6 lakh crore worth of investments will be required in the Road sector over FY2020-FY2025. IRCON is poised to grab the opportunity and lead the way in this sector. Similarly, total estimated investment towards Railway sector is ₹13.7 lakh crore. Vision 2025 includes 100% electrification of existing railway network and doubling/tripling of sections on high density corridors.

COMPANY OVERVIEW

Ircon International Limited (IRCON) is an integrated engineering and construction company. The Company has expertise in major infrastructure sectors including railways, highways, bridges, flyovers, tunnels, metro, aircraft maintenance hangars, runways, EHV sub-stations, electrical and mechanical works, commercial and residential buildings, development of industrial areas, amongst others. It offers Engineering Procurement and Construction (EPC) services on a fixed-sum turnkey and item-rate basis for various infrastructure projects. 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 sustain future earnings.

IRCON has a long-standing reputation as a sectoral leader in Transportation Infrastructure amongst the public sector construction companies in the country with specialisation in the execution of

Railway Projects on a turnkey basis or otherwise. The Company is known for its quality solutions, commitment and consistency in terms of its performance.

IRCON has executed many landmark construction projects in the past 44 years both in domestic and international markets. The Company has actively focused on becoming a diversified infrastructure player, both in terms of sectoral and geographical coverage. In 1976, IRCON commenced its business as a railway construction company. Since 1985, the Company progressively diversified into the entire gamut of construction activities and infrastructure services. However, its primary focus and strength have consistently remained deeply rooted in the railway sector.

IRCON is amongst the few construction companies in the public sector to have earned substantial foreign exchange for the country and has consistently paid dividends to the Government.

Over the years, the 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 over 390 projects in India. In the domestic market, it specialises 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.

OUR KEY STRENGTHS



⁷<http://omms.nic.in/>

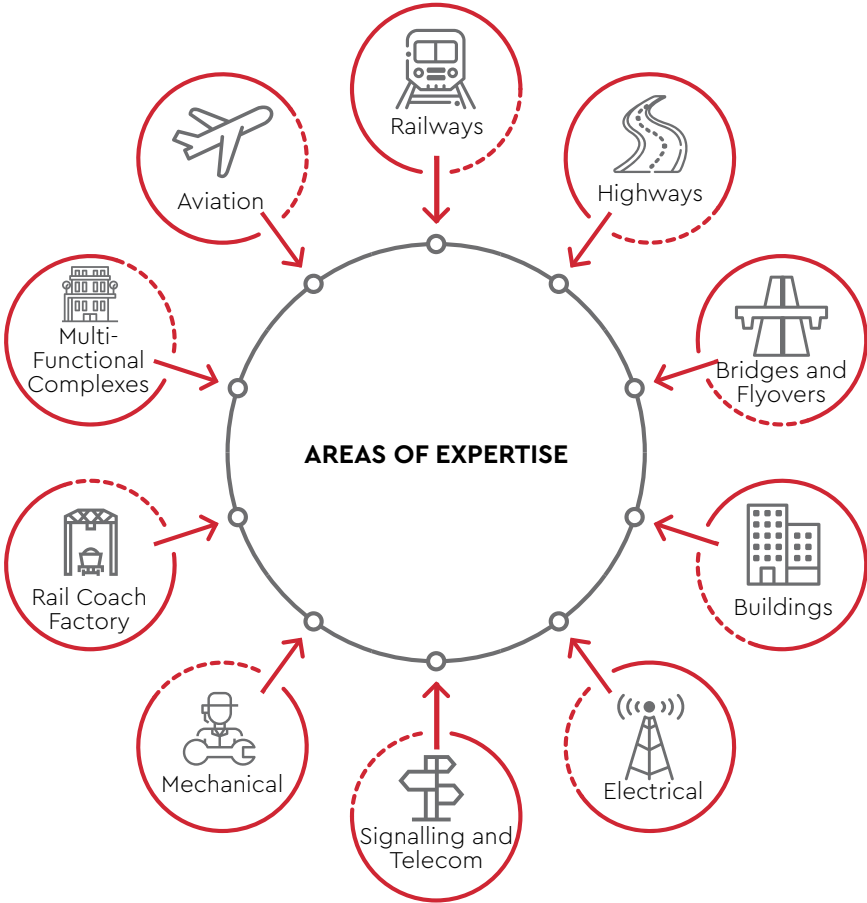
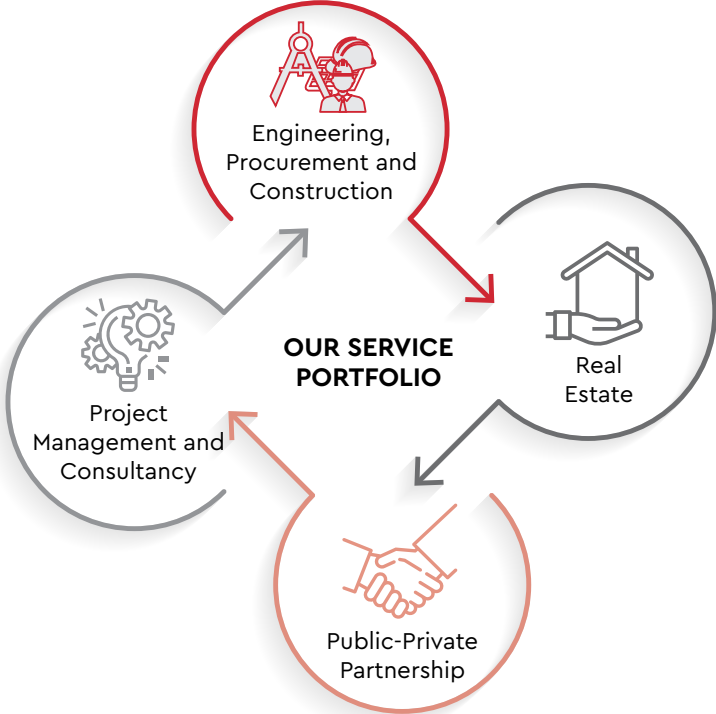
⁸Ministry of Road Transport & Highways

⁹Ministry of Road Transport & Highways

¹⁰NIP

¹¹NIP

MANAGEMENT DISCUSSION AND ANALYSIS



QUALITY STANDARDS

IRCON is an ISO certified Company for Quality, Environment, and Occupational Health and Safety Management Systems, a Schedule 'A', and a Mini Ratna – Category I public sector listed company. During FY2020, 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. Additionally, CARE has reaffirmed its 'CARE AAA; Stable/ CARE A1+' to the long-term bank facility of IRCON.

LEGAL STATUS AND AUTONOMY

IRCON, a legal entity separate from the Government, 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 Heavy Industries and Public Enterprises 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 can and does issue guidelines to regulate and bring about some uniform pattern in the functioning of the Company as a public sector enterprise. However, no Government department has any supervisory authority to exercise control over the Company, which is managed and run under the superintendence, control and direction of its Board of Directors as per the Companies Act.

During FY2019, the Government has disinvested 10.53% of the paid-up share capital by Initial Public Offer and the public shareholding as on 31st March 2019 stood at 10.82%. Furthermore, IRCON is required to increase public shareholding to at least 25% by 2nd August 2020 as part of Minimum Public Shareholding (MPS) norms prescribed as a continuous listing requirement under Securities Contract Regulations Rules, 1957 for the listed companies which is to be done by the Government of India by further selling its 14.18% holding to the public. The process of disinvestment of equity shares

IRCON's operating turnover in FY2020

₹5,202 crore



IRCON has executed many landmark construction projects in the past 44 years across the world. The Company has actively focused on becoming a diversified infrastructure player, both in terms of sectoral and geographical coverage.

of IRCON through Further Public Offer (FPO) has been initiated by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance. However, SEBI vide circular dated 14th May 2020 has in view of the prevailing business and market conditions granted relaxation for listed entities whom the deadline to comply with MPS requirements falls between the period from March 1, 2020, to August 31, 2020, and advised stock exchanges to not to take any penal action as envisaged in the October 10, 2017 circular.

As per 2020 edition of Engineering News Record (ENR) of USA, IRCON is the only Indian PSU to make it to the list of top 250 International Contractors.

In International arena, opportunities exist in countries such as Bangladesh and Sri Lanka for developing infrastructure.

FINANCIAL PERFORMANCE

During FY2020, the total income of the Company stood at ₹5,442 crore as against ₹4,680 crore in the previous financial year which is the highest ever Turnover since inception of IRCON. Around 95.60% of the Company's total income, that is, ₹5,202.45 crore has been recorded from operations. Out of the total amount of operations, 8.52%, that is ₹443 crore has been achieved through international projects.

During FY2020, IRCON recorded an operating turnover of ₹5,202 crore as against ₹4,415 crore, showing an increase by 17.83%. The operating turnover from domestic projects is 91.48% and that from the international projects is 8.52%; however,

MANAGEMENT DISCUSSION AND ANALYSIS

profitability from foreign project is 36.49% (as against 63.51% from domestic projects). The operating income from international projects has decreased by 24.28%. The decrease in Turnover of International Projects is due to completion of Project at South Africa in the last year and no new order except order awarded in the beginning of 2019-20 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) has been received in the near past which is at its initial stage and turnover from this project will increase in near future.

There is a healthy growth in Profit Before Tax (PBT) and Profit After Tax (PAT) by 9.33% and 10.14%, respectively and its stood at ₹673 crore and ₹490 crore, respectively.

The details of interim dividend paid and proposed dividend for consideration and declaration by the shareholders, over and above the interim dividend at the forthcoming AGM is mentioned in the Director's Report under 'Financial Highlights'.

The details of significant changes, that is, change of 25% or more as compared to FY2019 in the key financial ratios along with detailed explanations thereof is placed below.

S. NO.	NAME OF RATIO	FORMULA	FY2020	FY2019	% CHANGE IN RATIO AS COMPARED TO FY 2019-20	REMARKS
1	Debtors Turnover	Revenue from Operations/ Average Account Receivables	9.77	7.53	29.75%	Average Account Receivables have decreased and revenue from operations have increased in comparison to previous year.
2	Inventory Turnover	Operating Expense/ Average Inventory	13.55	15.81	-14.29%	-
3	Interest Coverage	EBIT/ Interest Expense	37.55	139.87	-73.15%	Interest expenses has increased from ₹4.43 crore to ₹18.40 crore in comparison to previous year.
4	Current Ratio	Current Assets/ Current Liabilities	1.15	1.32	-12.88%	-
5	Operating Profit Margin	(PBT-Other Income)/ Turnover	0.083	0.079	5.06%	-
6	Net Profit Margin	Net Profit/ Total Income	0.090	0.095	-5.26%	-
7	Return on Net Worth	Net Profit/ Average Net Worth	0.121	0.116	4.31%	This is due to increase in profit.
8	Debt/Equity	Debt/ Total Shareholders' Equity	0.44	0.65	-32.31%	Debt has decreased due to repayment of installment of loan and Net worth has increased in comparison to previous year.

During FY2020, the Company has complied with the guidelines prescribed by the Accounting Standards while preparing the financial statements, and no deviation has been made in the reporting of the financial information.

OPERATIONAL PERFORMANCE

SECTORAL PERFORMANCE

During FY2020, over 80.98% 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 18.32% revenue and remaining 0.70% from electrical and building works.

Sector-wise comparative position for the last three years is as follows:

(₹ in crore)

Sectors	FY2020		FY2019		FY2018	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	4212.93	80.98	3,741.01	84.73	2,904	74.63
Highways	953.17	18.32	554.62	12.56	844	21.70
Electrical	17.69	0.34	97.35	2.20	89	2.29
Buildings	1.08	0.02	5.26	0.12	48	1.23
Others	17.48	0.34	16.86	0.38	6	0.15
Total	5202.45	100	4,415.10	100	3,981	100

SEGMENT WISE PERFORMANCE:

(₹ in crore)

Sectors	FY2020		FY2019		FY2018	
	Total Income	%	Total Income	%	Total Income	%
Foreign	476.31	8.75	605	13	622	15
Domestic	4965.41	91.25	4,075	87	3,499	85
Total	5441.72	100	4,680	100	4,121	100

PROJECTS UNDERTAKEN DURING FY2020

IRCON's order book, as on 31st March 2020, stood at ₹30,713 crore with ₹26,064 crore value of work in Railways section on nomination and competition basis.

During the year, the Company completed 03 projects in domestic markets, the details of which have been mentioned in the Directors' Report.

UPCOMING PROJECTS

IRCON has around 40 ongoing projects in its portfolio. Out of which, four are located in international markets in Algeria, Bangladesh, Nepal and Sri Lanka and remaining projects are in the domestic market.

STRENGTHS

A Prudent and Diversified Business: Since its inception, IRCON has diversified its business operations into various infrastructure segments. The Company is an established player in the field of railways and highways construction. Furthermore, it caters to the needs and requirements of its customers in additional areas of commercial and residential complexes, power transmission lines, industrial lighting, bridges, and flyovers. IRCON has maintained its track record of on-time and high-quality project completion. These characteristics have helped the Company in developing a strong reputation resulting in increased opportunities to bid for prominent companies.

Established Track Record and Proven Project

Execution Capabilities: The Government of India holds 89.18% stake in IRCON. The Company is a Mini Ratna Category - I Public Sector Undertaking since

MANAGEMENT DISCUSSION AND ANALYSIS

1998. It began operations as a railway construction company and further diversified into other construction activities. However, railways and highways continue to be the core operation areas of the Company contributing around 80.98% and 18.32% to the revenue respectively during the year under review. Furthermore, IRCON has demonstrated exceptional capabilities in project execution of large magnitudes in both domestic and international markets.

Strong Financial Performance and Credit Profile:

IRCON has a strong credit profile that includes non-fund based standby bank limits of ₹3,850 crore out of which as on 31st March 2020 approximately ₹2,142 crore has been utilised. As of 31st March 2020, the financial profile of the Company is characterised by healthy profitability margins and a comfortable liquidity position. After approval and payment of the proposed dividend, the cumulative dividend paid to the shareholders is ₹1,918.32 crore approximately as against a capital investment of ₹4.94 crore. Additionally, the stable business model of the Company has contributed significantly to its financial strength. IRCON's working capital requirement for its projects is principally met through client advances as well as internal accruals, mainly supported by its business growth and capability to execute large and complex projects in difficult terrains and territories.

However, COVID-19 pandemic affected business activities worldwide but the company believes that thus far, there is no significant impact of COVID-19 pandemic on the financial performance of the Company in terms of revenue and profitability as the company has recorded its budgeted revenue in the current year.

The Company is constantly reviewing its operation and is making every possible effort to make up for the lost time due to the pandemic. Though the management expects to have reduction in Revenue and Profitability in the FY2021, the impact of the lockdown disruption will have to be assessed from time to time.

Steady Execution and Robust Order Book: IRCON caters to domestic as well as international markets and receives its order book through competitive bidding and on nomination. Majority of orders received in the railway segment are on nomination basis while for other sectors, it is on through



IRCON has widened its horizons of work through its expertise, prudent approach towards project execution and strategic diversification into various sectors.

competitive bidding process. The Company's client base is primarily dominated by the Central and State Government undertakings such as Ministry of Railways, Delhi Metro Rail Corporation Limited and National Highway Authority of India amongst others, which mitigates the counterparty risk to a large extent.

Processes and Methodologies: IRCON has established the best processes and methodologies in the industry to provide economical solutions and quality output while meeting tight schedules on the most challenging projects. With the Company's diversification into various infrastructure projects, its expertise and professional approach to project execution, IRCON has not only widened its horizons of work thereby reducing dependence on any one sector or type of project, but also propelled itself to traverse the physical boundaries of the country.

Geographical Coverage: IRCON has an extensive geographic footprint that has helped the Company to explore and diversify in various contracts such as DBFOT, EPC, HAM, Annuity amongst others. It has also developed projects through strategic business arrangements such as JVs and SPVs. As of FY2020, the Company has developed projects in 25 countries and 24 states in India. Additionally, the Company has also won infrastructure project in Sri Lanka during the fiscal year.

Experienced Human Capital and Proven management Team: The strength of IRCON lies in its team of trained and experienced manpower. The team has an exceptional talent pool of professionals with expertise in Railways and Highways, Design and execution Engineers and Business Development Managers. They work on high-value projects based on EPC, DBFOT and HAM models. Additionally, the skill sets of its employees give the Company the flexibility to adapt to the needs of its clients and the technical requirements of the various projects that



it undertakes. Furthermore, IRCON is committed to the development of its employees through regular technical seminars and training workshops organised by the Company or reputed institutes. It has a management team that is qualified and experienced in construction and infrastructure development.

SCOPE AND OPPORTUNITIES

Economic and Sectoral Initiatives: There are various economic and industry initiatives undertaken by the Government to enhance economic growth coupled with the revival of interest in the development of the infrastructure sector. Despite the headwinds faced by the economy due to the emergence of COVID-19, the budget allocated for the railway sector has not been compromised by the Government. Additionally, the Ministry of Railways has decided to invite PSU companies for significant railway projects. This development offers IRCON further

opportunities to embark on high-quality government projects. The Company is exploring additional infrastructure development opportunities in sync with the priority projects of the Government such as Smart City Mission and Metro Rail. It is also pursuing opportunities in the highway projects in Indian states, connecting habitations with rural roads through Pradhan Mantri Gram Sadak Yojana (PMGSY), re-development of railway stations. IRCON's joint venture company viz. Indian Railways Station Development Corporation (IRSDC) has a responsibility to construct 400 Class-A stations, which generates an opportunity for the Company to develop high-quality railway stations.

International Projects: The bottom line of IRCON have consistently remained in a healthy position due to its portfolio of quality international projects. The Company has formulated its policy for the

MANAGEMENT DISCUSSION AND ANALYSIS

appointment of agents that will help it in getting business opportunities in the global markets. IRCON is aggressively pursuing infrastructure projects in countries such as Bangladesh and Sri Lanka. Additionally, the Company will be participating in the African countries for railway and highway projects. IRCON has also signed an Memorandum of Understanding (MOU) with RZD International, which is a state-owned Russian Railways Company to explore opportunities for joint development of railways and other infrastructure projects in Asia, Africa, and Latin America. According to the MOU, both the parties have agreed to form a joint Indian-Russian working group. This group will look into ways of developing strong partnership to coordinate, plan and subsequently implement projects in field of railways and other infrastructure not only in India but also in countries of mutual interest.

STRATEGIC MOUs AND ALLIANCES

IRCON has entered into strategic MOU to explore new business opportunities. It has entered into an MOU with National Investment and Infrastructure Fund Limited (NIIFL) to collaborate for equity participation in existing and future projects of IRCON. Additionally, the Company has signed an MOU with NIIFL and AYANA Renewable Power Private Limited (AYANA) to explore and collaborate on opportunities in the solar energy sector. IRCON and AYANA to form JV/Consortium, IRCON will identify opportunities of solar energy production for consumption requirements of Indian Railways. IRCON has also entered into an MOU with the Ministry of Railway Development, Republic of Ghana to develop modern railway network and associated infrastructure to facilitate the movement of freight and passengers. The Company has also signed MOU with Larsen and Toubro Limited (L&T) to collaborate and jointly execute mutually beneficial business opportunities in sectors such as ports, harbours, bridges tunnels, metro rails in India and abroad. IRCON has also collaborated with BEML Limited for undertaking railway projects including supplying and maintaining the rolling stock manufactured by BEML in countries where BEML and IRCON have business interest and presence. The Company has also signed a general MOU to leverage new business opportunities in various sectors in Indian and international markets. In order to pursue potential opportunities in railway, highway and building projects in Malaysia, an MOU had been signed with M/s Apex Communication Berhad, Malaysia.

Total number of projects delivered

518+



IRCON has adopted advanced technology and construction methodology that ensure edge over the competitors while also improving the Company's operational efficiency.

Project Models: There are several high-value projects expected in the Highway sector on EPC, DBFOT, HAM and Annuity basis. IRCON has founded four wholly-owned subsidiaries 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.

KEY CONCERN AREAS

Significant competition in the marketplace: IRCON operates in a competitive environment and contends against various domestic and foreign engineering, construction and infrastructure companies. The industry in which IRCON functions, is subject to intense price competition for the acquisition and bidding of projects. Its competition varies depending on the size, nature, complexity of the project and the geographical region of the project. Additionally, it strives to leverage its financial resources as well as industry expertise to increase its competitive edge. While service quality, technological capacity and performance, health and safety records of the workforce and reputation are essential considerations in clients' decisions, competitive price is also a critical factor.



IRCON being a dominant player in the railway infrastructure segment and a significant player in Highways sector, has been able to secure a fair share of business for the Company in the past. However, fierce competition from other players has made it difficult for the Company to compete in Item Rate Contracts. Furthermore, with the employers diluting the qualification requirement, a sizeable number of contractors are diversifying in the Railway segment thereby increasing the competition for the Company.

Majority of the new organisations in the infrastructure sector are willing to take higher risk and work at low profits to increase their order book position and capture a wider share of the market. This further increases the competition for IRCON in the industry.

Although every organisation has to work within a certain legal framework, IRCON as a public sector company faces more constraints that are not applicable to private sector companies. This puts IRCON at a disadvantageous position in a competitive market. The contracts are awarded to IRCON following competitive bidding processes where the Company is meeting the prescribed pre-qualification criteria. The Company's competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project has to be executed.

The Company is operating in a highly competitive and price cutting environment of the construction industry where profit margin is declining due to

increased competition in the traditional areas of operation.

The Company has to prepare itself to expand its footprint in high technology and high value projects like High Speed Railway projects and PPP investment projects.

Work stoppage and shortage of labour: IRCON business operations are labour intensive, requiring contract employees for specific projects hired by the sub-contractors. However, the COVID-19 pandemic has triggered a massive reverse migration of thousands of labours. Consequently, this will result in a labour crunch and construction halt, which will delay the completion and delivery of certain projects. Further, the increased cost to the sub-contractor for health, hygiene and well-being are required to ensure smooth running of operations during the pandemic including social distancing as well as taking new laws and regulatory compliances into account will in turn increase the cost of construction.

Currency exchange rate fluctuations: IRCON has diversified its operations into new geographies such as Sri Lanka, Bangladesh, Malaysia, Ethiopia, and Mozambique. Currently, the Company is working on projects in Algeria, Bangladesh and Sri Lanka. For projects located outside India, the payment terms are denominated in foreign currencies and the Company has to bear the cost of adverse exchange rate movements as per the terms and conditions of such contracts. Accordingly, any fluctuation in

MANAGEMENT DISCUSSION AND ANALYSIS

the value of the Rupee against these currencies will reflect on the Rupee cost to it of servicing and repaying any obligations that IRCON may incur. This factor exposes the Company to exchange rate risk, which may have an adverse effect on its results of operations and financial condition.

RESPONSE TO COVID-19

The World Health Organisation (WHO) declared outbreak of novel Coronavirus (COVID-19) a global pandemic on 11th March 2020. Consequent to this, the Government of India declared nationwide lockdown on 24th March 2020 and ordered temporarily closure of non-essential businesses, imposed restrictions on the movement of goods and services, and travel amongst others.

As the nature of business performed by IRCON, falls under the non-essential category, the Company temporarily suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. These nationwide lockdown restrictions have impacted the normal operations of the Company by way of interruption of project execution, supply chain disruption and unavailability of personnel during the lockdown period since 24th March 2020.

The Central and State Government have initiated the steps to lift the lockdown and the Company is adhering to the same as it has resumed its activities based on the resources available. The Company has been able to resume operations at various project sites from the beginning of May in a gradual manner. It has taken necessary precautions to ensure the health, safety and wellness of all its employees and also put in place the SOPs and all the guidelines as per the Central and State Governments to prevent the spread of COVID-19. IRCON expects construction to reach optimum levels once situation normalises post lifting of lockdown as migrant labourers resume work gradually. Meanwhile, the Company is exploring increased use of technology to fasten the pace of construction going forward.

IMPACT ON FINANCIAL PERFORMANCE

IRCON believes that thus far, there is no significant impact of COVID-19 pandemic on the financial performance of the Company in terms of revenue and profitability as it has recorded its budgeted revenue in the FY2020.

IRCON's strong order book

₹30,713



IRCON's extending geographical coverage within the country is expected to provide the Company the headroom to undertake projects proposed by the Government of India and further consolidate its position in the industry.

LIQUIDITY

IRCON has access to sufficient liquidity for its operation. The short-term investments of the Company are in such instruments, which can be encashed on need basis. Furthermore, the Company has strong order book of over ₹ 30,700 crore, which provides sufficient cashflow visibility.

The Company expects to recover the carrying amount of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, inventory, advances, trade receivables, deferred taxes, other financial and non-financial assets in the ordinary course of business based on information available on current economic conditions.

STEPS IMPLEMENTED FOR SMOOTH BUSINESS OPERATIONS

During this lockdown period, IRCON has taken various steps towards re-thinking the new normal for the business post COVID-19 lockdown. The working at non-critical locations of the Company was streamlined with work from home norms and roaster for the employees as per the guidelines issued by the government authorities. Furthermore, the Company has put in place stringent monitoring processes for COVID-19 ensuring the following:

- » Thermal Screening of all employees and visitors
- » Sanitising the premises and vehicles on regular basis
- » Maintenance of social distancing at all workplaces
- » Enforcing wearing of masks and regular cleaning of hands

- » Regular health updates of all the employees and their families
- » Conducting awareness programs regularly for all its employees

ESTIMATION OF THE FUTURE IMPACT OF COVID-19

With the commencement of works at project sites, IRCON is constantly reviewing its operation and is making every possible effort to make up for the lost time due to the pandemic. Though the management expects to have reduction in Revenue and Profitability in the FY2021, the impact of the lockdown disruption will have to be assessed from time to time and communicated as we progress during the current financial year. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities. It is, therefore, premature to forecast the future impact with credibility at this stage.

The actual impact of the 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.

BUSINESS STRATEGIES

Expanding Geographical Footprints in Domestic and International Markets: IRCON aggressively focuses on becoming a diversified infrastructure player, both in terms of sector and geographical coverage. The Company has diversified its infrastructure work expertise into transportation engineering, civil and industrial construction, and other infrastructure projects. Additionally, with its widespread presence in India, it intends to further expand its operations domestically by exploring substantial opportunities as part of its business model. By also extending its geographical coverage and growing in new areas within the country, IRCON will be able to take on more projects proposed by the Government of India and further consolidate its position in the infrastructure sector. 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. With 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.

Furthermore, the Company aims to endure its strategy of diversifying across industry segments and increase orders from international markets to capture

healthier profit margins as compared to domestic projects.

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 Joint Venture companies 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 Bidding of New Projects: IRCON's business growth is attributed principally to an increased bidding activity to procure large projects awarded by the Government agencies. With the Company's long-standing reputation and expertise in the execution of railway projects on a turnkey basis, a large part of its business is driven by the projects, which are directly awarded by the Government. Additionally, IRCON aims to capitalise 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 also endeavour 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.

Favourable Financial Risk Profile: IRCON's financial profile indicates healthy 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 by leveraging advances received from the clients and internal accruals for working capital requirement towards projects. Furthermore, IRCON aims to achieve higher profitability, but it avoids over-leveraging its balance sheet or undertaking projects that can affect its financial stability.

Sectoral Initiatives Undertaken by the Government: Over the years, the Government of India has issued various macro-level and sectoral initiatives to improve the economy. The infrastructure sector has been one of the topmost priorities of the Government, particularly the railway sector. With the increased interventions of the Government to develop infrastructure, IRCON has been able to receive multiple opportunities for its business. The

MANAGEMENT DISCUSSION AND ANALYSIS

Company aims to capitalise on these opportunities by leveraging its established track record and diversifying its infrastructure knowhow into transportation engineering, civil and industrial construction, and other infrastructure projects.

Attract and Retain Talent Pool: IRCON recognises 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. The Company has an Internal Complaints Committee (ICC) for the

prevention of sexual harassment at the workplace. It also arranges workshops, exclusively for women employees, which covers self-defence, health, and nutrition-related areas. This is done in collaboration with the Delhi Police and senior doctors. 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.

RISK MANAGEMENT

The Company has an elaborate Enterprise Risk Management (ERM) framework in place. As per the ERM framework and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, IRCON has a well-placed Board Level Risk Management Committee (RMC), which reports to the Board and Audit Committee about the risk elements, and their mitigation plans, amongst others. Additionally, the RMC is entrusted with the responsibility to identify



IRCON's Risk Management Committee identifies and reviews the risks, and formulates action plans for risk mitigation. The Committee also monitors the adequacy of the risk management framework adopted by the Company.

and review the risks and formulate action plans and strategies for risk mitigation. The primary function of the RMC is to monitor various risks and examine the adequacy of the risk management policy. It also assesses the practices adopted by the Company and initiates strategic actions for the mitigation of risks arising in operations and other critical functional areas of the Company.

As per the ERM framework, IRCON has a Rapid Action Group at Executive Director (below Board) and Chief General Manager levels, business group, and internal audit to ensure the implementation of the policy. Furthermore, the Risk Management Policy, Risk Management Processes, and MIS reports formats, including the reports on Risk Management, have been evolved following the Framework. The reports from the Rapid Action Group and internal audit are required to be submitted to the Audit Committee for review.

PROJECT MANAGEMENT RISK

In India, a major concern for IRCON in the execution of projects is the non-availability of encumbrance free land and delayed approval of drawings and estimate due to which there is a risk of time and cost overruns which are seldom compensated by the client. Furthermore, it is difficult to predict the revenues generated from the projects and are subject to variations driven by various factors.

TREASURY RISK

IRCON was assigned a 'CARE AAA' rating by Credit Analysis & Research Limited (CARE) for the long-term non-fund based credit facilities and an 'A1+' rating for short-term non-fund based credit facilities in 2008-09 based on BASEL II norms of the Reserve Bank of India. These ratings were reaffirmed in an annual surveillance review by CARE in October 2019. Additionally, IRCON conducts its business in various countries and, therefore, has to deal in foreign currencies. Execution of projects abroad necessitates investing some funds in foreign banks to take care of any emergency arising on account of temporary cash flow mismatch. However, dealing in foreign currencies involves foreign exchange risk, and the exchange rate may change unfavourably before the currency is exchanged. To minimise this risk, the currency fluctuations are continuously monitored, and surplus funds are converted and repatriated to India at the appropriate time, and in accordance with the laws. Efforts are made to provide a natural hedge by matching foreign currency inflows and outflows from various international projects. Furthermore, the investment guidelines for foreign projects have been formulated to ensure the placement of funds with foreign banks fairly and transparently.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A properly designed and consistently enforced system of operational and financial control helps the Company's Board of Directors and management to safeguard the resources, produce reliable financial reports, and comply with laws and regulations. Effective internal control also reduces the possibility of significant errors and irregularities and assists in their timely detection when they do occur. IRCON has an adequate internal control mechanism and an Internal Audit System commensurate with its size and nature of business.

The Company has an adequate financial control on financial reporting in compliance with the provisions of the Companies Act, 2013 and such Internal Financial Control over financial reporting are operating effectively. The controls have been designed to assure with respect to the proper maintenance of accounting records, ensuring the orderly conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, and ensuring the reliability of financial and operational information. The internal control system, including Internal Financial Controls over Financial Reporting, are periodically reviewed, and necessary changes are carried out to align with the changing business requirements.

The management discloses all financial and budgetary information needed for a proper understanding of the Company's finances and its operations. Additionally, IRCON has in place an organisational chart and a system of delegation of powers. This coupled with a robust internal MIS system, ensures appropriate information flow to facilitate effective monitoring. Adherence to these processes is monitored through internal audits. The frequency of the Internal Audit is linked with the turnover and percentage of completion of each project.

The internal audit framework provides the scope of Internal Audit and covers relevant areas right from tendering to statutory compliances. The same has been issued for implementation to internal auditors so as to make the audit system more effective and project-specific. Projects are closely monitored through online/offline reporting formats, and the key performance indices are scrutinised by the management every month in addition to the Departmental inspection by in-house professionals.

The internal audit system of the Company requires the Auditors to comment on the existence of adequate internal control systems and its

MANAGEMENT DISCUSSION AND ANALYSIS

compliance; in addition to that, the opinion on the existence of proper risk assessment and mitigation mechanism. The Internal Auditors are experienced Chartered Accountant firms, which are selected through a transparent process. Internal Auditors report to the Audit Committee, this ensures the Internal Auditors' independence. In addition to this, the audit reports are reviewed and synopses of Audit Reports along with compliances are put up by the Internal Audit Department for consideration of the Audit Committee.

The Company has installed SAP ECC 6.0 based Finance-controlling module. No changes are allowed in SAP after the entries are made therein. Enhancement of SAP ERP FICO module has been done for improved transparency and Financial control and maintaining books of accounts, fixed assets, MIS, P&L for all projects. During the year online 'E-Office' has been introduced to make a paperless office and to track the movement of files, 'Tender Information System' has also been introduced to have a track on the movement of tender files.

The internal control and audit systems are being reviewed periodically by the management as well as by the Audit Committee, followed by corrective action, whenever necessary as a part of continuous improvement. In 2017, a professional agency was engaged for strengthening of Internal Financial Control (IFC) and most of the recommendations made by the agency were implemented by the Company. To further strengthen IFC, IRCON engaged another professional agency for further review of IFC System and as per the IFC Report received in June 2020, the Company adhered to the most of its recommendations and the remaining are in the process of strengthening the IFC, which will be complied post implementation of ERP - SAP HANA. Risk Control Matrices (RCM) are also prepared with respect to each Business functions and their mapping are being done with respective functions and compliance management system. The internal control system ensures compliance with all applicable laws and regulations. A structured Fraud Prevention, Detection and Control Policy (FPDC Policy) along with a Whistle Blower Policy duly approved by Board of Directors is in place with the facility to make e-complaints in confidence.



IRCON is moving towards a competency-based framework with an aim to build competency pool of the employees at all levels.

HUMAN RESOURCES

IRCON aspires to be an organisation that focuses on the well-being and overall development of its employees. It believes in driving its organisational goal by investing in its human resources to ensure that they possess the competencies that the Company needs to deliver its business objectives. The human resources development efforts of IRCON are aligned with the prevailing standards of the industry. The Company recognises the importance of a positive workplace, and it consistently strives to maintain it. IRCON's goal is to create a motivating and satisfying working environment, where employees contribute more to the Company.

IRCON is an equal opportunity employer that embraces diversity in all forms such as race, religion, gender, age, ethnic origin, and physical ability, amongst others. The Company aims to achieve the right size and the right mix for the organisation. Since IRCON is a project-based Company, there are substantial fluctuations in the manpower requirements. This is taken care of by recruiting employees on deputation basis from other PSUs, contract, and service contract basis. The Company re-engineers its recruitment strategies to align them with the broad goals of the Company.

As a part of employee benefits, IRCON offers post superannuation privileges of Contributory Provident Fund, Gratuity, and post-retirement indoor medical benefits through a medical trust.

The total manpower strength as on 31st March 2020 is 1369 employees. The employee attrition rate during FY2020 was 9.9%, with 111 employees leaving the organisation.

During FY2020, 37 employees were recruited on a full-time basis while 16 were recruited on contractual basis including service contract. Additionally, 3,001 man-days of training was imparted, which covered around 848 employees, which included programs like Special Course at Indian Railway Institute of Civil Engineering (IRICEN), Pune, Training on Electrical Interlocking of Siemens at SIEMENS Bengaluru, Management Development Programme at Management Development Institute (MDI) Gurugram and many other behavioural, technical, non-technical internal and external training, seminars, workshops were imparted. The Company has envisioned an ambitious growth plan for Human Resources for the next few years, and training programs are specially designed for 3-5 days for Senior Management from best Management institute of India. 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.

In Departmental Promotion Committee (DPC) 2019, a total of 104 employees were promoted in the executive category, and 32 employees in the non-executive category were promoted.

IRCON undertakes several fun and joy activities on the premises to keep its employees motivated. During the year under review, the Company launched its 4th Inter-Project Quiz in which a total of 25 teams across the projects participated. Out of this, five teams made it to the semi-finals and 3 to the final round. In addition to this, IRCON hosted Rangoli competition during Diwali in which total eight teams had participated. The Company had conducted a series of three cricket matches between CMD-11 and Directors-11 team at New Delhi. The family of employees were also involved as well. Furthermore, IRCON has performed Shivratri Poojan in the office premises. The Company has also celebrated International Yoga Day on 21st June 2019 for the health benefits of its employees.

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.

The Board of Directors of the Company has decided for upgradation of People Capability Maturity Model (PCMM) up to Level-3 for which IRCON has engaged M/s QAI Limited as transition partner. IRCON has already closed the gaps as per Level-2 of PCMM and now is working with the consultant to close the gaps of Level-3 of PCMM.

The succession planning policy of the Company provides an integrated and systematic approach for identifying, developing, and retaining employees in line with current and projected business objective. Under succession planning policy of the Company, 48 employees of the level E7 to E9 were considered as succession pool of likely leaders to take up critical roles in future. To groom this pool of potential leaders, special training for leadership and management development at reputed institutes in India was provided during the year.

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/-

(S.K. Chaudhary)

Date: 25.08.2020
Place: New Delhi

Chairman & Managing Director
(DIN: 00515672)

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT

Making the **world** a better place to live.

IRCON has long recognised social responsibility as an integrated part of its overall business strategy. We believe that there is a definite connection between a robust business and a healthy community. They are not mutually exclusive, and today, it is more important than ever that we all realise this and come together to shape inclusive economies and cultures and extend opportunities for all.

Founded

1976

IRCON's CSR Efforts since

2010

CSR Spent in FY2020

₹10.04 crore

Average Profit over 3 Years

₹494 crore



OUR FOCUS AREAS

	Education, Employment and Skill Development
	Health and Nutrition
	Clean Water and Sanitation
	Homes and Shelters
	Environment
	Culture and Heritage
	Sports
	PM CARES Fund
	Rural Transformation

ABOUT OUR CSR REPORT

This is IRCON's CSR & Sustainability Report for 2019-20. It explains and discloses our priorities, activities and achievements in certain focus areas identified by us. The information provided in this report is for the period of 1st April 2019 to 31st March 2020.

WHAT SUPPORTS OUR CSR EFFORTS?



STRATEGY

We develop solid and thoughtful initiatives to impact our communities to a more considerable extent. We carefully integrate social and environmental concerns in our business operations and interactions with our stakeholders. Our CSR activities extend into the areas of skill development, education, economic welfare, and environment protection, amongst others.



PARTNERSHIPS

The key to successful CSR strategies is a partnership. We have built strong relationships with the right partners for the effective implementation of our activities. We believe that we share a common goal with our partners, and they help us bring transformative social change in the right manner.



INTERNAL STRENGTH

Our CSR Committee proactively undertakes various activities as per our well-defined CSR Policy. It promotes a culture that emphasises and sets high standards for corporate social responsibility. Additionally, the team periodically monitors the progress of the initiatives as per the Policy.

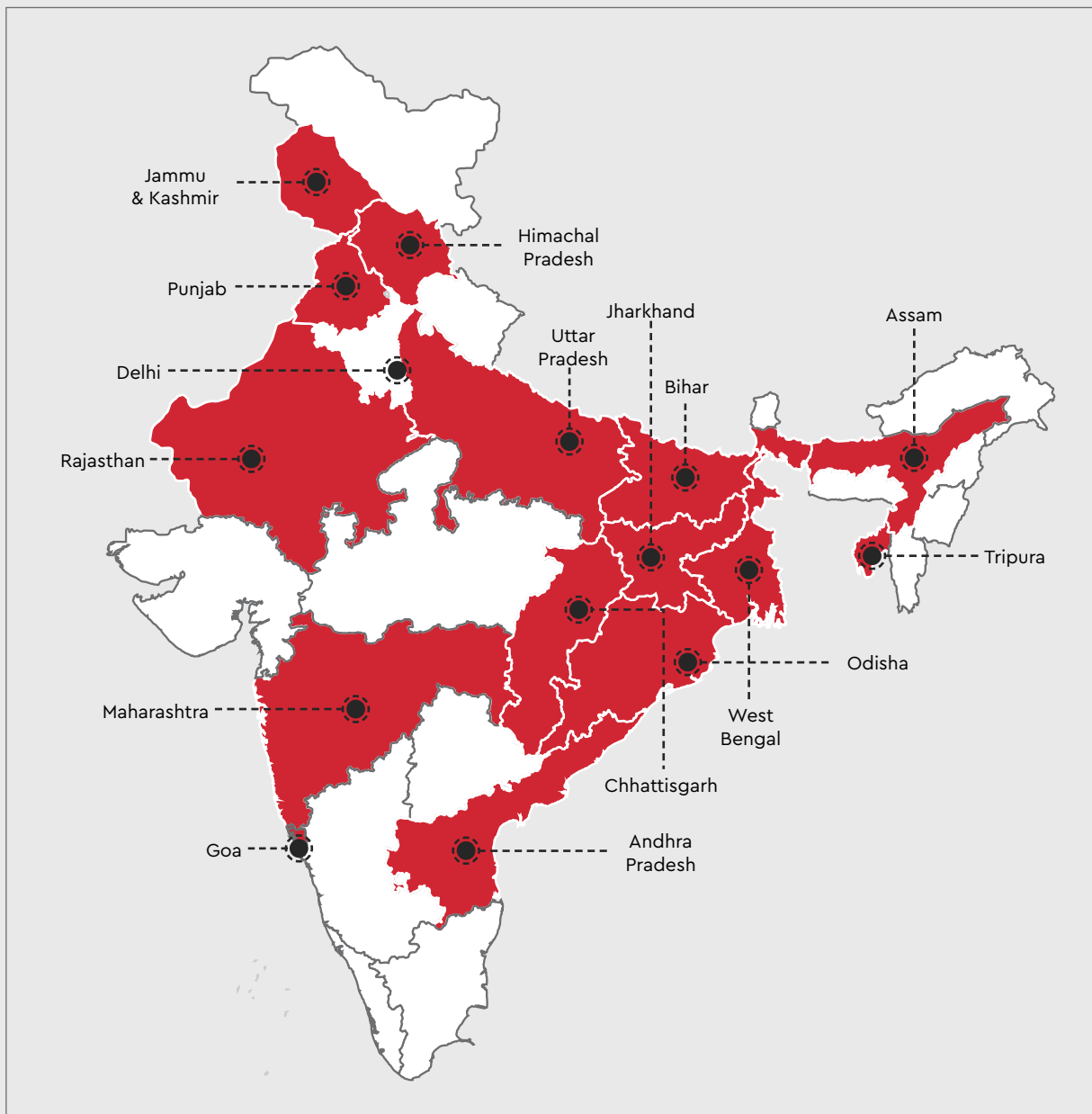
CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

IRCON GIVES BACK:

OUR CSR BACKDROP

IRCON has been leading the way in Corporate Social Responsibility (CSR) in India. Our CSR efforts have evolved from social obligation to peripheral development leading to a structured CSR program. IRCON's CSR and Sustainability interventions have been ongoing since the year 2010-11. The Company's social vision is to conduct its CSR initiatives in line with its policy of doing business in a socially responsible and sustainable manner. It also strives to focus on the needs and expectations of the key stakeholders through various business activities. IRCON has contributed immensely towards the development of the remote areas of the country in terms of capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy-efficient technologies, development of backward regions, and upliftment of the marginalised and under-privileged sections of the society, Swachh Bharat Initiatives, amongst others. It has supported the economy by contributing to the Government funds in the period of crisis.

OUR CSR OUTREACH





CHAIRMAN'S NOTE

Dear Shareholders,

At IRCON, we recognise that economic progress comes with the development of the communities in which we live and work. Our Company is a leading infrastructure player in the industry with a proven track record of delivering remarkable projects in domestic as well as international markets. But what is even success if it does not benefit society? Therefore, since the very beginning, we have believed in sharing a mutual goal with our communities.

IRCON's CSR efforts emphasise on expanding its reach to impact several lives in the country while providing opportunities and improving the standards of living. As a responsible Company, we work with the larger society that we are a part of. We encourage our people to become reliable citizens and do their bit towards the betterment of the community. I am humbled by the commitment of our employees who go the extra mile to participate and ensure the successful implementation of our CSR activities. We have an efficient CSR & Sustainability Committee that proactively frames various initiatives in different fields of concern such as education, cleanliness, sanitation, and employment, amongst others. Furthermore, it monitors the implementation and outcomes of all our activities. We have also formed strategic partnerships with various non-profit institutions in the country. It is because of these organisations that IRCON can reach to the remotest



Our CSR efforts emphasises on expanding our reach to impact several lives in the country while providing opportunities and improving the standards of living.

areas of India and shape the lives of those who are unserved and underserved.

During FY2020, IRCON's CSR arm has touched the lives of hundreds of people through its many initiatives. The unprecedented emergence of a pandemic 'COVID-19' is a human tragedy that has affected hundreds and thousands of people while also posing a growing impact on the global economy. Similar to other countries, India has also geared up to combat with the pandemic through proactive measures and supporting policies. In the unifying spirit of participation, IRCON has also contributed ₹4.50 crore during 2019-20 towards the PM Cares Fund to support the relief efforts against the coronavirus outbreak. In the year 2020-21 also, IRCON has contributed an additional amount of ₹15.50 crore in PM CARES Fund.

Our 44-year history has taught us that being at the forefront of change and driving improvement in society is fundamental to the inclusive growth of the business and economy. For us, CSR is not just a statement but an integral part of our Company. It makes me proud to be a part of an organisation where people live and propagate such belief. I am confident that IRCON will continue to work along with the community to expand the reach of its CSR efforts and impact as many lives as possible.

Regards,

Shri S. K. Chaudhary

(Chairman & Managing Director)

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

SUSTAINABLE DEVELOPMENT AT IRCON

Our strategy behind sustainable development is aligned with the Sustainable Development Goals (SDG) outlined by the United Nations.

LINKING OUR SUSTAINABLE DEVELOPMENT TO UN SDGS



The Goal is aimed towards eradicating poverty in all its forms and dimensions by 2030.



The Goal is aimed at eradicating hunger, achieving food security and improved nutrition and promote sustainable agriculture.



The Goal is aimed at ensuring healthy lives and promoting wellbeing for all at all age groups.



The Goal is aimed at ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all.



The Goal is aimed at achieving gender equality and empowering all women and girls.



The Goal is aimed at ensuring availability and sustainable management of water and sanitation for everyone.



The Goal is aimed at promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



The Goal is aimed at building resilient infrastructure, promoting inclusive and sustainable industrialisation and foster innovation around the world.



The Goal is aimed at making cities and human settlements inclusive, safe, resilient and sustainable.



The Goal is aimed at protecting, restoring and promoting sustainable use of terrestrial ecosystems. Additionally, it strives to sustainably manage forests, combat desertification, ensure reverse biodegradation, and stop the loss of biodiversity.



EDUCATION, EMPLOYMENT AND SKILL DEVELOPMENT

We recognise education as the most essential factor that helps in shaping quality of life and benefits society at large. In addition to this, we believe that decent employment opportunities contribute to economic, social and environmental development. Our scope of CSR also extends and covers skill development as it is an important tool that empowers people and improves their social acceptance.

PWD candidates provided with Skill Development training

100

Tribal students educated in Bhubaneswar

150

Ekal Vidyalayas benefited in FY2020

700

OUR EDUCATION, EMPLOYMENT AND SKILL DEVELOPMENT INITIATIVES DURING THE YEAR:



COMPUTER LITERACY:

We have initiated a computer literacy program at Ekal Vidyalayas through Mobile Computer Lab in Chhattisgarh. We have also constructed a computer lab and provided computers in Navagaon village of Chhattisgarh.

ENGLISH LITERACY:

We have provided interactive multimedia sources for English literacy in Employability skills subject in collaboration with M/s SNTD Women's University.

GODHULI:

Teaching at Godhuli School is done more interactively using practical methods. Students learn while getting introduced to various ideas subjects playfully with enthusiasm. Their appetite to learn is increased that way preparing a good ground to learn better.

Our basic motive is to help each student find his/her own hidden abilities. Each and every student is encouraged to think find solutions to the problems on their own. They are encouraged to write solutions on the black board turn by turn so that they develop self confidence while learning the subjects and leading the way to literacy. Students and their parents are briefed about the value of education in their life. This motivates them for further education also i.e. beyond the years spent at our institute..



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

SKILL DEVELOPMENT:

We have carried skill development works intending to generate employment opportunities at Khari in J&K. Additionally, we have also extended the training in skill, development centre at Khora Ghaziabad. This was our joint effort with M/s Bismouli Sarvodaya Gramodyog Sewa Sansthan (BSGSS).

WOMEN EMPOWERMENT:

We have sponsored skill development training programs for women in partnership with M/s BSGSS in Pathankot city of Punjab and Ghaziabad city of Uttar Pradesh. We have also extended support towards imparting skill development training to 60 underprivileged women jointly with M/s Lakshyam. The program provided vocational training in the areas of stitching and tailoring.

RURAL EMPLOYMENT:

We have provided rural employment opportunities to rural women by establishing a provision for hygienic and cost-effective sanitary napkin machines in Dholpur city of Rajasthan. The initiative was performed in partnership with M/s Vatsalya Foundation. The same effort has been undertaken in Nupada, Odisha and Ranchi, Jharkhand.

PROGRAMS FOR PWD:

We have made a provision for skill development training of 100 Persons with Disability (PWD) candidates for three months in partnership with M/s National Handicapped Finance and Development Corporation.

QUALITY EDUCATION:

We have sponsored education for 100 tribal students of fifth grade in Bhubaneshwar in collaboration with M/s Kalinga Institute of Social Sciences. We have also extended this facility to an additional 150 tribal students living in a residential set up at Bhubaneshwar.

LEARNING CENTRES:

We have offered financial assistance for establishing a training centre for the differently-abled and impoverished youth in collaboration with M/s Deepstambha Foundation. Additionally, we have also contributed towards the establishment of a mini Science centre for underprivileged children.

SUPPORT:

We have provided hearing aids and other relevant tools to specially-abled children in Patna through our partnership with M/s Umang Bal Vikas.

OTHER CONTRIBUTIONS:

We made significant contributions to 100 Ekal Vidyalayas each in Raigad and Korba districts of Chhattisgarh, Jharkhand and Himachal Pradesh. We have extended our support to 600 Ekal Vidyalayas to promote education. We have also launched a promotional initiative 'Knowledge on Wheels' to spread awareness on the importance of education. Furthermore, we have also carried out development work in 76 Government schools at Prayagraj in Uttar Pradesh.





HEALTH AND NUTRITION

Health and Nutrition is an essential part of the development of humankind and a healthy society. Malnutrition and lack of proper nutrition remain a significant concern for the Government. At IRCON, we have directed our CSR activities towards uplifting the underprivileged society by offering them basic hygiene amenities, nutrition and lifestyle support.

OUR HEALTH AND NUTRITION INITIATIVES DURING THE YEAR:



MENSTRUAL HYGIENE PROGRAM:

We contributed towards women empowerment through Menstrual Hygiene Training Program in Ghazipur town of Uttar Pradesh in collaboration with M/s Vatsalya Foundation and M/s Sewa Samarpan Sansthan.

LIVELIHOOD AND MEDICAL SUPPORT:

We have extended support to community-based livelihood security and war widows of Jammu & Kashmir. We are also conducting 80 medical camps and providing free of cost medical services.

EMPOWERING HANDICAPPED STUDENTS:

We are contributing towards the upliftment of disabled students by providing motorised wheelchairs for students within the campus for easy access. Furthermore, we are supporting Divyangjan for artificial limbs in partnership with Artificial Limbs Manufacturing Corporation of India (ALIMCO).

SENIOR CITIZENS PROGRAM:

We have supported 23 older adults, residing in Old Age Home, by providing basic amenities jointly with M/s Anadi Sewa Prkalp.



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

Medical camps conducted

80

Cleft surgeries sponsored for children and adults

100

HYGIENE AND SANITATION:

We have contributed towards promoting hygiene and sanitation by establishing a manufacturing unit for Biodegradable Sanitary Napkins in railway project areas in Baramulla city of Jammu & Kashmir. We initiated this in collaboration with M/s Deepanjan Trust. In addition to this, we have sponsored 100 cleft surgeries for children and young adults in districts such as Dakshin Dinajpur, Murshidabad, Maldah, Birbhum, Nadia, Siliguri and Kolkata. The work is under progress.

HEALTH AND NUTRITION INITIATIVES:

We have promoted health and nutrition through our 'Gift Milk Program' for students at Government School in Malakangiri town in Odisha in partnership with M/s NDDB, which is a Foundation for Nutrition.

WELLBEING OF CANCER PATIENTS:

We counsel and handhold cancer patients jointly through M/s Sanjeevani in Goa. The program aims to motivate and encourage patients undergoing treatment in the hospitals to complete their treatment and keep a positive outlook towards the treatment as well as life.

OTHER EFFORTS:

We have helped towards operations and maintenance cost of health unit in Banihal in Jammu & Kashmir. Additionally, we have provided financial assistance for 250 children with polio and disability.





CLEAN WATER AND SANITATION

At IRCON, we understand the importance of water, which is a basic necessity and a vital resource for sustaining life. A decline in the quality of safe water endangers the human health and ecosystem as a whole. Therefore, we believe that access to clean water, hygienic surroundings and sanitation are essential for maintaining a healthy planet.

Hand pumps installed in Ghazipur

50

OUR CLEAN WATER AND SANITATION INITIATIVES DURING THE YEAR:



PROVISION OF HAND PUMPS:

During the year, we installed 50 hand pumps for providing access to clean and safe water in the villages of Ghazipur via Jal Nigam.

DRINKING WATER:

We made the provision of safe drinking water for students at Kendriya Vidyalaya. In addition to this, we have ensured the drinking water facility in the localities of Kalimpong in West Bengal. The work is under progress.



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED



HOMES AND SHELTERS

Absence of good homes and shelters is a significant issue in India. We understand the need for adequate housing and safety in the society. Through our CSR initiatives, we are trying to contribute towards a safer and stable society by providing shelter facilities to the underprivileged sections.

Contributed towards
development of Orphanage

₹5.45 lakh

OUR HOMES AND SHELTERS INITIATIVES DURING THE YEAR:



SHORT TERM SHELTERS:

We have offered support for starting a short term stay shelter and child help desk for abandoned and runaway children found at railway stations through M/s Parayas.

SUPPORTING ORPHANAGES:

We have extended help to an orphanage for disabled children in Coimbatore district of Tamil Nadu by providing furniture assets. This was done through our partnership with M/s The United Orphanage for the Disabled.

OTHER INITIATIVES:

We have constructed a multipurpose hall with a capacity of 300 people in the state of Tripura. The work is under progress.





ENVIRONMENT

IRCON has always recognised its responsibility towards the environment. It has devised thoughtful strategies and initiatives for the protection of the environment. We strive to make responsible decisions that will reduce the negative impacts of our operations on the environment.

Amount Contributed for Tree Plantation in FY2020

₹4.68 lakh

OUR ENVIRONMENTAL INITIATIVES DURING THE YEAR :



WET WASTE MANAGEMENT:

To achieve environmental sustainability, we initiated wet waste composting from flowers and other wastes produced by pilgrimages in collaboration with My Green Society Initiative under M/s Keshav Srushti in Maharashtra.

BIOGAS PLANT:

We have implemented the use of biogas plant for supporting 500 marginal farmers in collaboration with M/s Bhagirath Gramvikas Prastishthan in Sindhudurg district of Maharashtra.

CLEANLINESS:

To spread the awareness on cleanliness, we have promoted an initiative 'Waste-to-Energy' for school kitchens located in Adivasi communities in collaboration with M/s LAYA in Vishakhapatnam.

SWACHH BHARAT ABHIYAN:

We have actively contributed towards the provision of passenger amenities under the Government of India's Swachh Bharat Abhiyan. We have installed bottle crushing machine for smart disposal of used plastic bottles. Also, we have constructed toilets at Udhampur.

TREE PLANTATION:

We have promoted biodiversity through plantation in Reasi, Jammu & Kashmir.



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED



CULTURE AND HERITAGE

We believe that the culture and heritage of a country has a very high value. It reflects and shapes values, beliefs and aspirations while defining our national identity. As a part of our CSR efforts, we strive to protect and promote culture and heritage in the community by undertaking several initiatives in this field.

Contributed towards promotion of South India's heritage

₹23.75 lakh

OUR CULTURE AND HERITAGE INITIATIVES DURING THE YEAR:



BEAUTIFICATION OF RAILWAY STATIONS:

We have supported the promotion of culture and heritage by carrying out beautification work on the walls of Railway Stations. To this end, we have undertaken mural painting on these walls that depict the culture of South India.



SPORTS

Over the years, sports has emerged as a critical factor of socio-economic development in the country. The active participation of people in sports-related activities improves community health, brings out great leaders and elevates social cohesion.

OUR SPORTS INITIATIVE DURING THE YEAR :



PROMOTION AND DEVELOPMENT:

We have contributed towards the advancement of sports through significant investments in infrastructure development such as Nural Amin Stadium and Nowgong Sports Association in Assam. The work is partially dropped and is in progress.

Contributed towards Sports Infrastructure Development

₹19.25 lakh

PM CARES FUND

IRCON has always recognised its responsibility to support the Government initiatives during the times of need. In January 2020, COVID-19 pandemic emerged as a challenge to humanity and the global economy. The outbreak caused by this pandemic presents an alarming health emergency that the world is facing today. In addition to the human impact, there is also a significant impact being felt on the global economy. To combat the virus, Indian Government has taken many initiatives. The PM Cares Fund is one such measure that aims to respond to this challenging situation. The fund will be used for combating, containment and relief efforts against the coronavirus outbreak and similar pandemic like situations in the future. Towards this initiatives during the year, IRCON has contributed an amount



of ₹5.01 crore (including employees' contribution of ₹51 lakhs) during 2018-19 and ₹15.5 crore after the close of this year, as a support towards the Government's strategy.

Contributed towards PM CARES Fund

₹20.50 crore

RURAL TRANSFORMATION

At IRCON, we understand the importance of developing and transforming rural India, as its growth is critical to the overall progress of the country. We take meaningful efforts towards the development of rural areas in India. Our initiatives are aimed at improving the quality of lives of the marginalised communities in India by providing necessities to the rural population.

OUR RURAL TRANSFORMATION INITIATIVES DURING THE YEAR:



WATER CONSERVATION:

We have contributed towards conservation of water through rural development and generating improved water facilities for the villagers of Sheikhpur district in Bihar.

COMMUNITY CENTRE:

We have promoted rural advancement through the construction of a community centre in Begusarai district of Bihar. The work is in its initial stage.

Contributed towards water conservation

₹26.73 lakh

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED



BRIEF OUTLINE OF IRCON'S CSR & SUSTAINABILITY POLICY, INCLUDING OVERVIEW OF PROJECTS OR PRAGRAMS UNDERTAKEN AND ITS WEB LINK

As per the provisions of the Companies Act, 2013 (Section 135) and the relevant guidelines outlined by the Department of Public Enterprises (DPE), IRCON has framed its CSR & Sustainability Policy. The primary focus of this policy is to strategically develop initiatives and activities to create a positive impact on the society and environment.

The CSR Policy acts as a guiding principle for the CSR initiatives of the Company. It explores various opportunities in diverse fields of social sector with an intention to meet the basic requirements of a community. Additionally, it promotes a healthy and sound livelihood along with social security in the community through its CSR efforts. The CSR policy also continues to implement social welfare activities in and around IRCON's project sites to cater to the concerns of the communities that are affected by the Company's construction activities. These activities benefit the localities and offer resources for better execution and implementation of the operations to reach out to maximum beneficiaries.

The Company believes that the philosophy and spirit of CSR and Sustainability should be understood and imbibed by its employees at all levels. Towards this end, IRCON generates awareness among its people about the integration of social and environmental processes with business operations.

The details of CSR & Sustainability Policy are available on the Company Website: <https://www.ircon.org/images/file/cosecy/2019-20/CSR-Policy-Jan-2020-min.pdf>

COMPOSITION OF CSR COMMITTEE

IRCON has a CSR & Sustainability Committee headed by an Independent Director to supervise and ensure the implementation of the CSR agenda of the organisation. The Committee is assisted by an officer at the rank of Chief General Manager and above. The officer is designated as the Nodal Officer and his/her team assists the Committee in various processes such as selection, approval and management of the CSR initiatives and activities.

The CSR and Sustainability Committee of IRCON has been formed in compliance with the Companies Act, 2013 and DPE Guidelines on CSR and Sustainability for CPSE, 2014. A brief background on the constitution of the Committee, its mandate and details of meetings held in FY2020 have been disclosed in the Corporate Governance Report. Presently, the committee is headed by Shri. Ashok Kumar Ganju, Chairman (Independent Director), with members: Dr. Narinder Singh Raina, Independent Director (Part-Time Non-official), Shri. Shyam Lal Gupta, Director (Projects).

Presently, the committee is assisted by Dr. Subhash Chand, Executive Director (Electricals) as the Nodal Officer along with the team of officials.

CSR DETAILS FOR FY2020

The average net profit of the Company recorded from its Indian projects in the last three immediately preceding financial years was ₹494 crore.

The CSR budget for FY2020 was ₹9.88 crore, which is 2% of the average net profit recorded by the Company from its Indian Projects in the period of last three immediately preceding financial years.

During FY2020, IRCON has spent ₹10.04 crore on its CSR initiatives.

The CSR & Sustainability Committee of IRCON confirms that the implementation and monitoring of the CSR & Sustainability policy is in compliance with the CSR objectives and policy of the Company.

Details of CSR Projects undertaken during the year 2019-20 are as follows:

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS		AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE		AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
			(1) LOCAL AREA OR OTHER	(2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL		
1	Environment Sustainability through composting wet waste from flowers, waste etc. produced by pilgrimages by My Green Society Initiative in Maharashtra	Swachh Bharat [S. No. (i) of Sch VII]	(1) Local (2) Mumbai, Maharashtra	40.00	3.75	3.75	-	3.75	40.00	Through M/s Keshav Srushti	
2	Promoting Environment Sustainability through usage of Biogas plant for supporting 500 marginal farmers in Sindhudurg district, Maharashtra (3 yrs)	Swachh Bharat [S. No. (i) of Sch VII]	(1) Other (2) Sindhudurg, Maharashtra	30.00	10.05	10.05	-	10.05	18.60	Through M/s Bhagirath Gramvikas Pratishthan	
3	Promoting Cleanliness through Waste-to-Energy for school kitchens in Adivasi communities in Vishakhapatnam (2 yrs)	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Vishakhapatnam, Andhra Pradesh	35.20	5.10	5.10	-	5.10	33.50	Through M/s LAYA	
4	Environment sustainability through plantation in Reasi, J&K (5 yrs)	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Reasi, Jammu	43.70	4.68	4.68	-	4.68	32.25	Direct	
5	Provision of 50 hand pumps for development of the villages in Ghazipur	Drinking Water [S. No. (i) of Sch VII]	(1) Other (2) Ghazipur, Uttar Pradesh	21.80	-	-	-	-	19.62	Through Jal Nigam, Ghazipur	
6	Skill Development Works for generating employment opportunities at Khari	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Local (2) Khari, Jammu	14.89	1.49	1.49	-	1.49	14.89	Through M/s Regional Centre for Entrepreneurship Council	
7	Empowerment of women through Skill Development Training Programs in Pathankot, Punjab	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Other (2) Pathankot, Punjab	31.32	5.92	5.92	-	5.92	31.32	Through M/s Bismouli Sarvodya Gram Sewa Sanstha (BSGSS)	
8	Empowerment of women through Skill Development Training Programs in Ghaziabad, UP	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Local (2) Ghaziabad - Khora, Uttar Pradesh	31.32	10.36	10.36	-	10.36	31.32	through M/s BGGSS	

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE			AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
				TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL			
									77.00		
9	Promoting Sports through contribution for Infrastructure Development of Nurual Amin Stadium, in Nowgong, Assam	Sports S. No. (v) of Sch VII	(1) Other (2) Nowgong, Assam	77.00	-	-	-	-	19.25	Through M/s Nowgong Sports Association	
10	Imparting Skill Development program to 60 underprivileged women (Vocational Training in stitching & tailoring for girls and women and developing market for the SHGs)	Skill Development S. No. (II) of Sch VII	(1) Local (2) Shivpuri- Guna, Madhya Pradesh	12.66	10.17	10.17	-	10.17	10.17	Through M/s Lakshyam	
11	Proposal for continuing IRCON's ongoing project through operational cost support Skill development training for 90 candidates in 2 trades - Basic Computer & Self Employment tailor at Khari	Skill Development S. No. (II) of Sch VII	(1) Local (2) Khari, Jammu	11.77	11.77	11.77	-	11.77	11.77	Through M/s Regional Centre for Entrepreneurship Council	
12	Support for Opening Short term stay Shelter and Child Help Desk for runaway/abandoned/orphan Children found at Railway Station	Setting up Homes and shelters [S. No. (iii) of Sch VII]	(1) Other (2) Guhwati, Assam	5.00	2.50	2.50	-	2.50	2.50	Through M/s Paryas	
13	Provision of Skill Development Training to 100 candidates with PWD by (Skill Development Training to 100 PWDs (Cost per Candidate Rs.12,500) with stipend of Rs.2000/candidate/month) (for 3 months)	Skill Development S. No. (II) of Sch VII	(1) Local (2) Lohardaga, Jharkhand	28.18	8.45	8.45	-	8.45	8.45	Through M/s National Handicapped Finance & Development Corporation	

(Amount in ₹ Lakhs)

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE		AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
				TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL		
14	Provision of Passenger Amenities under Swachh Bharat Abhiyaan (Installation of Bottle Crushing Machine for disposal of plastic bottles for clean environment)	Swachh Bharat [S. No. (i) of Sch VII]	(1) Local (2) Bareilly city/ Izatnagar and Mathura Cantt, Uttar Pradesh	9.00	9.00	9.00	-	9.00	9.00	Direct
15	Provision of Safe Drinking water for students at Kendriya Vidyalaya	Drinking Water [S. No. (i) of Sch VII]	(1) Local (2) Vishakhapatnam, Andhra Pradesh	7.90	6.68	6.68	-	6.68	6.68	Through M/s National Handicapped Finance & Development Corporation in Madhya Pradesh
16	Construction of toilets at Udhampur under Swachh Bharat Abhiyan	Sanitation [S. No. (i) of Sch VII]	(1) Local (2) Udhampur, Jammu	52.00	-	-	-	-	-	Direct
17	Request for extension of ongoing Skill Development Centre at Khora, Ghaziabad District	Skill Development S. No. (ii) of Sch VII]	(1) Local (2) Ghaziabad - Khora, Uttar Pradesh	21.42	8.37	8.37	-	8.37	8.37	Through M/s BGGSS
18	Supporting Orphanage for Disabled through provision of Furniture Assets at Coimbatore district of Tamilnadu for the Disabled	Setting up Homes and shelters [S. No. (iii) of Sch VII]	(1) Other (2) Coimbatore, Tamilnadu	5.50	5.45	5.45	-	5.45	5.45	Through M/s The United Orphanage for the Disabled
19	Promoting culture and heritage by beautification work at railway station wall through mural painting depicting culture of South India	Arts and culture [S. No. (V) of Sch VII]	(1) Local (2) Bengaluru, Karnataka	25.00	23.75	23.75	-	23.75	23.75	Direct

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE			AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
				TOTAL	DURING 2019-20	DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(1)	(2)	(3)		
20	Drinking water facility for local people of Kalimpong, West Bengal (Drinking water scheme from Jureli Khola to Bhalukhola)	Drinking Water [S. No. (i) of Sch VII]	(1) Local (2) Kalimpong, West Bengal	37.65	12.74	12.74	-	12.74	12.74	12.74	Direct
21	Water Conservation through rural development & generating better water facilities for villagers of Sheikhpur district of Bihar	Rural Development [S. No. (X) of Sch VII]	(1) Local (2) Sheikhpura, Bihar	29.93	26.73	26.73	-	26.73	26.73	26.73	Direct
22	Construction of multi- purpose hall (300 capacity) at Tripura	Setting up Homes and shelters [S. No. (iii) of Sch VII]	(1) Local (2) Tripura	78.00	-	-	-	-	-	-	Direct
23	Promoting Culture and Art of India Youth Integrity in North East State	Arts and culture [S. No. (V) of Sch VII]	(1) Other (2) North East	35.00	-	-	-	-	-	-	Through M/s SEL (Students Experience in Inter-State Living)
24	Promoting Rural Development by Construction of one community centre Begusrai, Bihar	Rural Development [S. No. (X) of Sch VII]	(1) Local (2) Begusrai, Bihar	15.00	-	-	-	-	-	-	Direct
25	Providing Computer literacy to Ekal Vidyalayas through Mobile Computer lab in Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Raigarh , Chhattisgarh	26.62	-	-	-	-	24.97	24.97	Thoug M/s EKAL Gramotthan Foundation
26	Construction of computer lab and provisions of computers at Navgaon, Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Navgaon, Chhattisgarh	18.15	1.28	1.28	-	1.28	1.28	10.40	Direct

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE		AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20		CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)	
				TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS			(3) TOTAL
27	Interactive Multimedia for English Literacy in Subject Employability skills	Education [S. No. (ii) of Sch VII]	(1) Local (2) Mumbai, Maharashtra	25.00	5.00	5.00	-	5.00	21.25	Through M/s SNDT Women's University
28	Empowering women through Menstrual Hygiene Training Program in Ghazipur, UP	Health [S. No. (i) of Sch VII]	(1) Other (2) Ghazipur, Uttar Pradesh	17.14	-	-	-	-	16.58	Through M/s Vatsalya Foundation and M/s Sewa Samarpan Sansthan
29	Contribution to GODHULI for promoting the education for street Children in Delhi	Education [S. No. (ii) of Sch VII]	(1) Local (2) Bhubaneshwar, Orissa	5.40	0.54	0.54	-	0.54	5.40	Through M/s GODHULI
30	Contribution to 100 Ekal vidyalayas in Raigarh and Korba districts of Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Raigarh, Chhattisgarh,	20.00	2.00	2.00	-	2.00	20.00	Through M/s Bharat Lok Shiksha Parishad
31	Contribution to 100 Ekal vidyalayas in Jharkhand	Education [S. No. (ii) of Sch VII]	(1) Local (2) Giridih, Jharkhand	20.00	2.00	2.00	-	2.00	20.00	
32	Contribution to 100 Ekal vidyalayas in Himachal Pradesh	Education [S. No. (ii) of Sch VII]	(1) Other (2) Dhera (Kangra), Himachal Pradesh	20.00	2.00	2.00	-	2.00	20.00	
33	Supporting 23 elderly for basic amenities residing in Old Age Home	Health [S. No. (i) of Sch VII]	(1) Local (2) Faridabad, Haryana	3.00	2.70	2.70	-	2.70	2.70	Through M/s Anadi Sewa Prakaalp
34	Contribution to GODHULI for promoting the education for street Children in Delhi for FY 2019-20	Education [S. No. (ii) of Sch VII]	(1) Local (2) Delhi	6.00	5.40	5.40	-	5.40	5.40	Through M/s GODHULI
35	Running and maintenance cost health unit existing at Banihal,J&K	Health [S. No. (i) of Sch VII]	(1) Local (2) Banihal, Jammu	8.50	4.07	4.07	-	4.07	4.07	Direct

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS		AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE		AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
			(1) LOCAL AREA OR OTHER	(2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL		
36	Skill Development Trainings to 20 BPL Candidates (Job oriented skill development Panchkarma Training to 20 BPL students & poor youth)	Education [S. No. (ii) of Sch VII]	(1) Local (2) Delhi		18.60	14.59	14.59	-	14.59	14.59	Through M/s Santhigiri Ashram
37	Contribution for quality education of students of Bhubaneshwar (Sponsoring of 100 class Vth tribal students living in residential school)	Education [S. No. (ii) of Sch VII]	(1) Local (2) Bhubaneshwar, Orissa		30.00	27.00	27.00	-	27.00	27.00	Through M/s Kalinga Institute of Social Sciences
38	Sponsoring school/college curriculum items to support students for quality education through M/s Blind Organization of India (Provision of school bags, Notebooks, books, stationary for supporting 1325 poor students and children of Blind persons as financial assistance)	Education [S. No. (ii) of Sch VII]	(1) Local (2) Mumbai, Maharashtra		4.87	4.87	4.87	-	4.87	4.87	Through M/s Blind Organization of India

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE			AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20		CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
				TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL		
39	Providing employment to Rural women by establishing provision of Hygienic Cost Effective Sanitary Napkin Machines at Dholpur (Setting up of manufacturing sanitary napkins unit for generating employment for rural women through SHGs and distribution in girls school/colleges)	Health [S. No. (i) of Sch VII]	(1) Local (2) Dholpur, Rajasthan	4.65	3.72	3.72	-	3.72	Through M/s Vatsalya Foundation	
40	Proposal for Community Based Livelihood Security & Empowerment of War Widows of J&K (Arogya Conducting 80 Medical Camps and provide the free medical services with medicines)	Health [S. No. (i) of Sch VII]	(1) Local (2) Jammu & Kashmir, Kargil and Leh Ladakh	27.00	13.50	13.50	-	13.50	Through M/s Arogya Foundation	
41	Empowering handicapped students by provision of Motorized Wheelchairs Provision of 4 nos. motorized wheelchair for students within the campus for easy access of the disabled students @Rs.1.60 Lakhs per unit	Health [S. No. (i) of Sch VII]	(1) Other (2) Bhopal, Madhya Pradesh	3.20	2.88	2.88	-	2.88	Direct	
42	Supporting Divyangjan for artificial limbs in collaboration with Artificial Limb manufacturing for FY 19-20	Health [S. No. (i) of Sch VII]	(1) Local (2) Muzzafarnagar (Uttar Pradesh) and Katni (Madhya Pradesh)	40.00	10.00	10.00	-	10.00	Through M/s ALIMCO	

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS		AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE		AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
			(1) LOCAL AREA OR OTHER	(2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL		
43	Extension of Contribution to 50 each Ekai vidyalayas in Jharkhand and Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Raigarh (Chhattisgarh) and West Singhbhum (Jharkhand)	20.00	19.00	19.00	-	19.00	19.00	19.00	Through M/s Bharat Lok Shiksha Parishad
44	Providing Hearing Aids and other tools for special abled children at Patna	Education [S. No. (ii) of Sch VII]	(1) Local (2) Patna, Bihar	2.48	2.48	2.48	-	2.48	2.48	2.48	Through M/s Umang Bal Vikas
45	Providing employment to rural women by establishing provision of Hygienic Cost Effective Sanitary Napkins at Nupada, Odisha	Health [S. No. (i) of Sch VII]	(1) Local (2) Nupada, Odisha	6.77	5.42	5.42	-	5.42	5.42	5.42	Through M/s Vatsalya Foundation
46	Providing employment to rural women by establishing provision of Hygienic Cost Effective Sanitary Napkins at Ranchi, Jharkhand.	Health [S. No. (i) of Sch VII]	(1) Local (2) Ranchi, Jharkhand.	6.77	5.42	5.42	-	5.42	5.42	5.42	Through M/s Vatsalya Foundation
47	Financial assistance for 250 polio and borne disabled children	Health [S. No. (i) of Sch VII]	(1) Other 2) Udaipur, Rajasthan	13.00	13.00	13.00	-	13.00	13.00	13.00	Through M/s Narayan Sewa Sansthan
48	Free Eye Screening Camps at 30 schools of Aspirational district of Jaisalmer, Rajasthan	Health [S. No. (i) of Sch VII]	(1) Other (2) Jaisalmer, Rajasthan	27.87	13.94	13.94	-	13.94	13.94	13.94	Through M/s PCB Trust
49	Promoting Health & Hygiene by setting up of manufacturing unit for Biodegradable Sanitary Napkin in project areas of Railways in Baramulla, J & K	Health [S. No. (i) of Sch VII]	(1) Local (2) Baramulla, Kashmir	29.44	8.28	8.28	-	8.28	8.28	8.28	Through M/s Deepanjan Trust

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE		AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
				TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL		
50	Promoting Health by Sponsorship of 100 nos. Cleft surgeries to children and young adults in Aspirational district Dakshin Dinajpur, Murshidabad, Maldah, Birbhum, Nadia and other major district like Siliguri & Kolkata across West Bengal	Health [S. No. (i) of Sch VII]	(1) Local (2) Dakshin Dinajpur, Murshidabad, Maldah, Birbhum, Nadia and other major district like Siliguri & Kolkata across West Bengal	28.00	16.80	16.80	-	16.80	16.80	Through M/s Mission Smile
51	Promoting Health and Nutrition through 'Gift Milk Program' for students in Govt. school Of Malakangiri, Nabrangapur, Odisha	Nutrition [S. No. (i) of Sch VII]	(1) Local (2) Malakangiri, Nabrangapur, Odisha	40.00	20.00	20.00	-	20.00	20.00	Through M/s NDDDB
52	The counseling and handholding program for Cancer patients provided at Goa.	Health [S. No. (i) of Sch VII]	(1) Other (2) Goa	14.66	7.33	7.33	-	7.33	7.33	Through M/s Sanjeevani
53	Proposal for establishing Mini Science Centre for underprivileged students	Education [S. No. (ii) of Sch VII]	(1) Local (2) Raigarh, Chhattisgarh,	9.43	4.72	4.72	-	4.72	4.72	Through M/s Sambhvana
54	Promoting education by sponsorship to 150 tribal students living in a residential set up at Bhubneshwar	Education [S. No. (ii) of Sch VII]	(1) Local (2) Bhubaneswar, Orissa	45.00	22.50	22.50	-	22.50	22.50	Through M/s Kalinga Institute of Social Sciences
55	Promoting education through "Knowledge on Wheels" program	Education [S. No. (ii) of Sch VII]	(1) Local (2) Palghar District, Maharashtra	32.84	19.70	19.70	-	19.70	19.70	Through M/s Keshav Srushti
56	Supporting 600 EKAL Vidyalayas for promoting education	Education [S. No. (ii) of Sch VII]	(1) Local (2) Baramulla, Kashmir	132.00	66.00	66.00	-	66.00	66.00	Through M/s Ekal Vidhalaya Foundation of India

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT CONTINUED

(Amount in ₹ Lakhs)

SL. NO.	CSR PROJECT / ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS		AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE		AMOUNT SPENT ON THE PROJECTS OR PROGRAMS DURING 2019-20			CUMULATIVE EXPENDITURE UP TO 2019-20	AMOUNT SPENT (DIRECT OR THROUGH IMPLEMENTING AGENCY)
			(1) LOCAL AREA OR OTHER	(2) STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	TOTAL	DURING 2019-20	(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS	(2) OVER-HEADS	(3) TOTAL		
57	To provide financial assistance for establishing training centre for specially abled and poor youth	Education [S. No. (ii) of Sch VII]	(1) Other (2) Jalgaon, Maharashtra	40.00	16.00	16.00	-	16.00	16.00	16.00	Through M/s Deepstambha Foundation
58	Developmental works in 76 Govt. School at Prayagraj, UP	Education [S. No. (ii) of Sch VII]	(1) Other (2) Prayagraj, UP	40.00	34.30	34.30	-	34.30	34.30	34.30	Direct
59	PM Cares Fund	Fund Contribution	PM Cares Fund	450.00	450.00	450.00	-	450.00	450.00	450.00	Direct
60	Evaluation for CSR Works for FY 2016-17 and survey, printing compendium etc.	Health, Education, Sanitation, Skill Development and administration cost etc.	NA	49.00	10.63	-	10.63	10.63	10.63	10.63	Direct
Total				1,984.63	1,004.01	993.39	10.63	1,004.01	1,329.19		

For and on behalf of the Board of Directors

Sd/-
(S.L. Gupta)
Director Projects & Member,
CSR and Sustainability Committee
(DIN 07598920)

Sd/-
(Shri Ashok Kumar Ganju)
Chairperson, CSR and
Sustainability Committee
(DIN 07014589)

Sd/-
(Shri S.K. Chaudhary)
Chairman & Managing Director
(DIN 00515672)

Place: New Delhi
Date: 25.08.2020

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

The Business Responsibility Report FY 2019-20 of Ircon International Limited (IRCON) adheres to the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business, as advised by the Ministry of Corporate Affairs (MCA), Government of India.

IRCON follows the highest standards of corporate governance principles and best practices by adopting the Corporate Governance Policies and Code of Conduct. These policies recommend a set of systems and processes driven by the fundamental principles of transparency, accountability, compliances, disclosure, ethical conduct and the responsibility to encourage the interests of all stakeholders. The policies and the code are assessed periodically to ensure their relevance, effectiveness and responsiveness to the requirements of our stakeholders.

Our Business Responsibility Report comprises our responses to questions on our practices and performance on principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across governance, environment, and stakeholder relationships.

THE PRINCIPLES AS PER NVG AND SEBI REGULATIONS

The NVG Principles, released by the Ministry of Corporate Affairs, are developed on India's socio-economic context and priorities as well as global best practices. The NVGs comprise nine interrelated and interconnected Principles and their attendant core elements and represent a holistic approach to business responsibility.



P1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with ethics, transparency and accountability



P2: Product Life Cycle Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle



P3: Employees' Well-Being

Businesses should promote the well-being of all employees



P4: Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised



P5: Human Rights

Businesses should respect and promote human rights



P6: Environment

Businesses should respect, protect, and make efforts to restore the environment



P7: Policy Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner



P8: Inclusive Growth

Businesses should support inclusive growth and equitable development



P9: Customer Value

Businesses should engage with and provide value to their customers and consumers in a responsible manner

BUSINESS RESPONSIBILITY REPORT CONTINUED

ANNEXURE 1

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L45203DL1976GOI008171
2. Name of the Company	Ircon International Limited (IRCON)
3. Registered Address	C-4, District Centre, Saket, New Delhi- 110017
4. Website	www.ircon.org
5. E-mail ID	cosecy@ircon.org
6. Financial Year Reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Construction of Roads and Railways (NIC Code - 4210)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	IRCON is an integrated Indian engineering and construction Company and specialises in infrastructure projects. Primary services that the Company offers in relation thereto are as follows: (a) Railways, Highways & Bridges (b) Electrical (c) Signalling & Telecom (S&T) (d) Workshop and other buildings
9. Total number of locations where business activity is undertaken by the Company: (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	(a) Number of International Locations: IRCON is having five major overseas offices (i.e. Sri Lanka, Bangladesh, Malaysia, South Africa, and Algeria) from where business activities are undertaken. (b) Number of National Locations: IRCON is headquartered at Saket, New Delhi, India and has thirty eight project offices and four regional offices to support and manage business operations throughout India.
10. Markets served by the Company - Local/ State/National/International	IRCON serves Local/ State / National and International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY (2019-20)

1. Paid-up Capital (₹ in crore)	₹94.05 crore
2. Total Turnover (₹ in crore)	₹5442 crore
3. Total profit After Taxes (₹ in crore)	₹490 crore
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.05%
5. List of activities in which expenditure in 4 above has been incurred	Refer "CSR and Sustainability Report" annexed to the Annual Report

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

Yes. As on 31st March 2020, IRCON has five subsidiary companies viz.,

- (i) Ircon Infrastructure & Services Limited (IrconISL)
- (ii) Ircon PB Tollway Limited (IrconPBTL)
- (iii) Ircon Shivpuri Guna Tollway Limited (IrconSGTL)
- (iv) Ircon Davanagere Haveri Highway Limited (IrconDHHL)
- (v) Ircon Vadodara Kim Expressway Limited (IrconVKEL)

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Out of the five subsidiary companies, four companies viz. IrconPBTL, IrconSGTL, IrconDHHL and IrconVKEL are Special Purpose Vehicles, which are formed to undertake the projects as specified by NHAI. Hence, these SPVs indirectly participate in the BR initiatives of IRCON. One subsidiary company viz. IrconISL is a Central Public Sector Enterprise (CPSE) and is required to adhere to the guidelines as issued by the Government of India from time to time.

3. Do any other entity/entities (e.g. suppliers, distributors, amongst others) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

In most of the cases, BR initiatives are carried out by IRCON directly. All the stakeholders who have formal business arrangements with the Company including the Government, our customers, our suppliers, our contractors and others are indirectly participating in the BR initiatives. However, it is difficult to establish the extent to which their support facilitates out BR initiatives.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/ Directors responsible for BR

(a) Details of the Director/ Directors responsible for the implementation of the BR policy/ policies

NO.	PARTICULARS	DETAILS
1.	DIN Number	07654014
2.	Name	Shri Yogesh Kumar Misra
3.	Designation	Director (Works)

(b) Details of the BR Head

NO.	PARTICULARS	DETAILS
1.	DIN Number (if applicable)	NA
2.	Name	Shri Basant Kumar
3.	Designation	Executive Director (Corporate Coordination)
4.	Telephone Number	011-26545470
5.	E-mail ID	basant@ircon.org

2. Governance related to Business Responsibility

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Various principles of the BR performance are integral to the day-to-day operations of the Company and the same are reviewed by the Board/Board level Committee(s) as an essential item of business concerned. During the year 2019-20, board-level committee for CSR met 3 times, for assessment and review of CSR activities in IRCON while the Board of Directors met 9 times.

(b) **Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

IRCON was listed w.e.f. 28th September 2018 and based on the market capitalisation as on 31st March 2020, the Company is among the top 500 listed companies. Therefore, the Company publishes the BRR report annually as a part of the Annual Report 2019-20. The BR Report for the year 2019-20 shall be uploaded as a part of the Annual Report on the website of the Company and shall be available at the following link:

http://www.ircon.org/index.php?option=com_content&view=article&id=56&Itemid=430&lang=en

The Sustainability Reports of the Company are published annually and are available at http://www.ircon.org/index.php?option=com_content&view=article&id=52&Itemid=424&lan=en

BUSINESS RESPONSIBILITY REPORT CONTINUED

DETAILS OF COMPLIANCE AS PER PRINCIPLES BY NVGs (REPLY IN Y/N)

NO.	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy-policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		All the policies of the Company have been formulated conforming to applicable statutes/guidelines/rules/policies etc. issued by the Government of India. These policies are formulated, keeping in view industry practices and standards.								
4.	Has the Board approved the policy? If yes, has it been signed by MD/ Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Policies of the Company have been approved by the Board/ Competent Authorities as per Board Delegated Powers.								
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link to be viewed online	The Policies of the Company are available on the website of the Company at the below-mentioned link: https://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8.	Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal and external agency?	Policies have been amended from time to time as per regulatory/ business/ environmental requirements though independent audit/ evaluation on working of policies is not done by an internal or external agency.								

If the answer to the question at serial number 1 against any principle is 'No', please explain why.

In respect of Principle 7 referring to Policy Advocacy, the Company does not have any specific policy on this subject as the same does not apply to the Company.

SECTION-E PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?**

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, Department of Public Enterprises (DPE) Guidelines, and other policies of the Government of India as applicable from time to time. The Company has a well-structured vigilance department that ensures transparency, efficiency and integrity and best corporate practices in the working of the organisation. The Company also has a Whistle-blower Policy meant for employees to raise any ethical issues within the organisation. Fraud Prevention and Detection Policy is 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.

Additionally, the Company has adopted a Code of Conduct for all the Board Members and Senior Management and Whole-time Directors.

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.

2. **How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so?**

As per the requirements of SEBI (LODR) Regulations, 2015 and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholder Relationship Committee specifically to look into various aspects of interest of the shareholders. As reported by KFin Technologies Private Limited (Formerly Known as Karvy Fintech Private Limited), the Registrar & Transfer Agent (RTA) of the Company, 83 grievances were received from the shareholders during the year 2019-20 (apart from 16 complaints pending

from the previous year), all grievances were redressed up to 31st March 2020.

Besides, a total of 18 public grievance/complaints were received from the general public under Centralized Public Grievance Redressal and Monitoring Scheme during the year 2019-20. All the grievances were disposed within the prescribed period of 60 days.

During the year 2019-20, the vigilance department has received a total of 15 complaints. Out of these 08 complaints were disposed and 07 are pending as on 31st March 2020.

No cases of whistle-blower and sexual harassment were reported during the year.

During the year 2019-20, 27 cases were filed by the MSEs at MSME SAMADHAN- Delayed Payment Monitoring System, out of these 06 cases are pending as on 31st March 2020.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

IRCON is a leading infrastructure company that undertakes projects mainly pertaining to the development of social infrastructure such as roads, highways and railways amongst others. These projects are designed as per the specifications of the clients and IRCON has little choice to include sustainability features in the projects. However, the Company endeavours to participate in such activities when the projects are being designed on its own terms.

The major services that have addressed social or environmental concerns and opportunities are as follows:

- (a) For major environment protection initiative, phasing out of Diesel Traction with Electric Traction has been carried out for 338 Route Kilometres in Mathura – Kasganj – Kalyanpur Section of Izzat Nagar Division in North Eastern Railway and for 248 Route Kilometres of Katni – Singrauli Section in Jabalpur Division of West Central Railway. For energy management, capacitor banks have been provided in Traction sub-stations and Supervisory Control and Data Acquisition System (SCADA) have also been installed.

BUSINESS RESPONSIBILITY REPORT CONTINUED

- (b) IRCON has commissioned an Electrified new line of 44 Km in the industrial and coal mine region of Chhattisgarh state. This railway Link is now catering to movement of coal rakes through Electric Locomotives and replaced movement of coal through large number of heavily loaded Diesel operation trucks. This has resulted in efficient and environment friendly transportation system in heavily polluted regions. It will also save carbon footprint and safeguard import dependency of oil.
- (c) The Company has been constructing Electric Loco shed at Rourkela with the energy efficient LED lights and Transparent sheets for Shed roof top to conserve electricity.
- (d) The Company has executed the work of providing Solar RO drinking water facility and Solar Panels in 13 schools class rooms in Prayagraj under CSR.
- (e) The Company has made a capital investment on energy conservation equipment viz. Solar photovoltaic power generation plant.
- (f) IRCON has commissioned one grid connected solar power plant of 110 KW at Sangaldan office building of Railway project in J&K state as a major of Environmentally Friendly Green Energy.
- (g) The Company continues to ensure Supervisory Control and Data Acquisition System (SCADA) for energy management that was made operational at Rail Coach Factory, Rae Bareli. The Company continues to construct with the latest energy-efficient and environment friendly guidelines, which include LED lights, rainwater harvesting, solar panel amongst others. LED Lights, sensor lights and sensor taps are being used at the corporate office to conserve electricity and water. Wastewater is recycled at Corporate Office through Sewage Treatment Plant (STP), and the same is used for horticulture work.

Furthermore, all the Indian and International projects carried out by Company comply with the Statutory Laws and conforms to the National and International Standards on safety and sustainability.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

During the year 2019-20, the Company has not measured its usage of water, energy and raw material on all projects being executed in India. This is because IRCON is in the business of providing services and it does not produce any products. However, the Company is actively engaged in providing services at its project sites to propagate the saving in the use of natural resources and energy-saving alternatives.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

As a Government Company, IRCON is required to comply with the requirements of procurement of resources through Micro and Small Enterprises (MSEs). The Company has a comprehensive Purchase Preference Policy, which is in line with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 notified by the Ministry of Micro Small and Medium Enterprises (MSME) under section 11 of Micro Small and Medium Enterprises Development Act, 2006. The e-procurement portal, that is, Central Public Procurement Portal (<https://etenders.gov.in/eprocure/app>) provides for the facilitation of registration of MSEs and participation in e-tender by availing the benefits of exemption from payment of the cost of tender fee and earnest money.

During the financial year 2019-20, the Company has procured items valuing ₹178.90 crore from MSEs vendor against the expenditure valuing ₹466.32 crore towards materials and stores, out of which, value of items beyond scope and capacity of MSE Vendors amounts to ₹244.75 crore. Therefore, your Company has achieved 81% of net procurement valuing ₹221.76 crore from MSEs after excluding the value of items beyond the scope and capacity of MSEs in compliance to Procurement Policy during the Financial Year 2019-20.

The Company pursues its business activities safely and sustainably. All work practices, procedures and production endeavours to comply with the standards of Safety, Health, and Environment as per industry norms, Government and relevant statutory bodies. It is also an ISO certified Company for Quality Management System for the organisation (since 1996), Environment Management System (since 2011), and Occupational Health and Safety Management System (certified since 2012). The Company has now switched over to new standard of Occupational Health and Safety Management System, that is, ISO 45001:2018.

At present, the Company does not have a process in place to measure this particular parameter in percentage.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, 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 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 year 2019-20, on 19th February, the Company has conducted a Special Vendor development Programme at the Corporate Office for MSEs including SC/ST entrepreneurs to increase more awareness and increase procurement of goods and services from MSEs. In addition to this, as per the notification of Ministry of Commerce and Industry (Department of Policy and Promotion), the Company has relaxed norms from criteria of prior experience and turnover in public procurement for start-ups.

As IRCON is a CPSE, goods and services are procured by inviting tenders as per Procurement Policy of the Company. The Company is into the business of infrastructure building in foreign countries as well. Although, the scope of procurement in these projects is limited, the Company sources 65%-75% of goods and services from Indian companies in GOI funded projects.

For the procurement of goods and services open tenders are generally invited. To improve the capacity and capability of local and small vendors, specific steps are being taken by IRCON. Discounts and benefits to the local and small vendors are offered to reduce the transaction cost of doing business. MSEs are provided with free of charge tender sets, exemption from the payment of earnest money, and adopting e-procurement to bring transparency, amongst others. Furthermore, the Company has boarded on the TReDS platform w.e.f. 25th January 2018 to facilitate financing of trade receivables of MSEs by discounting of their receivables and realization of their payment before due date.

A 'Quality policy' has been adopted to achieve and sustain excellence in the construction business through an effective Quality Management System and to achieve customer satisfaction by delivering projects within the scheduled time at economical cost and with highest quality.

In addition to this, the Company has taken necessary steps implementing the above policies and its continued pursuit in this direction has improved participation of small and local players, and socio-economic development of communities in and around its operational locations.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.

IRCON is a specialised construction organisation covering the entire spectrum of construction activities and services in the infrastructure sector. It does not have any manufacturing unit. However, certain practices for recycling of the waste are being followed in Company-owned properties as well as in some projects. Wastewater recycling is also being promoted through the construction of

BUSINESS RESPONSIBILITY REPORT CONTINUED

Sewage Treatment Plants (STP) at Corporate Office (Delhi), NOIDA, Gurgaon, and MFC buildings. LED lights, sensor lights and sensor taps are being used in the Corporate Office and other state of the art building constructed/ being constructed by IRCON to conserve electricity and water.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES (DETAILS AS ON 31.03.2020)

- Please indicate the total number of employees.**
Total number of employees as on 31st March 2020 – 1369
- Please indicate the total number of employees hired on temporary/ contractual/ casual basis.**
During the year 2019-20, IRCON hired 16 employees on contractual basis (including service contract). The Company does not hire employees on temporary or casual basis. However, the Company awards jobs and works contracts to contractors at its various projects as per requirement of the project or work. The number of workers with contractors varies from time to time.
- Please indicate the number of permanent women employees.**
Number of permanent women employees as on 31st March 2020 – 68
- Please indicate the number of permanent employees with disabilities.**
Number of permanent employees with disabilities as on 31st March 2020 – 12
- Do you have an employee association that is recognised by the management?**
The management recognises no employee association.
- What percentage of your permanent employees are members of this recognised employee association?**
Not Applicable.
- Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

NO.	CATEGORY	NO. OF COMPLAINTS FILED DURING THE FINANCIAL YEAR	NO. OF COMPLAINTS PENDING AS ON THE END OF THE FINANCIAL YEAR
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory Employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

The Company has adopted a detailed annual plan for training of all level of employees (Corporate and project site). Additionally, training on specific knowledge areas for relevant discipline are also arranged as per the requirement.

Details of the trainings on safety and skill upgradation given during the last year is as follows:

Permanent Employees: 42.2%

Permanent Women Employees: 45.5%

Casual/Temporary/Contractual Employees: 0.81%

Employees with Disabilities: NIL

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1. Has the Company mapped its internal and external stakeholders? Yes/No.

Yes, the Company has identified 'Customers', 'Employees', 'Shareholders', 'Vendors/ Contractors' and 'Society' as its stakeholders and it understands the distinct requirement of its various stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

The Company has identified PwD, SC, ST, OBC, Women, Start-ups, amongst others as disadvantaged, vulnerable and marginalised stakeholders and their concerns are addressed as per the government policies as applicable from time to time.

The Company regularly organises vendor meets for encouraging participation of MSE vendors, including MSE vendors owned by SC/ST and women entrepreneurs. The Company has achieved the procurement target in terms of Public Procurement Policy, Order 2012. It has established a policy for Public Procurement from 'Startup' under the 'Startup India' initiative of the Government of India for creating a conducive environment for startups in India. While developing the infrastructure projects, the Company ensures that the structures are friendly for the physically disabled persons.

The Company has a well-structured Corporate Social Responsibility and Sustainability policy (CSR policy) covering sustainability needs for various stakeholders. It covers empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy-efficient technologies. Additionally, it also looks after the development of backward regions and upliftment of the marginalised sections of the society, which comprise of SCs, STs, OBCs, minorities, BPL families, old and infirm, women/girl child, physically challenged amongst others.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

IRCON has always been sensitive to the needs of disadvantaged, vulnerable and marginalised stakeholders. As per recruitment rules, the Company ensures reservation of posts for SC, ST, OBCs, ex-serviceman and physically disabled persons in accordance with the instructions issued by the Government of India from time to time.

The Company has adopted a CSR policy that also aims to develop disadvantaged and marginalised sections of society. It has taken certain initiatives such as providing solar lights to rural communities, imparting skill development training programs, promoting the employment of rural women through Self Help Groups (SHGs) and installing sanitary napkins disposal machines and introducing employment oriented training and skill development programs for unemployed youth/SC/ST/OBC women and Economically Weaker Sections (EWS) of the society, amongst others.

The Company is procuring goods and services as per Public Procurement Policy, 2012 from MSE and it also conducts Vendor Development Programme, including local vendors, to bring more awareness among MSE and to increase their participation.

Furthermore, the Company has Policy for Prevention, Prohibition and Redressal of Sexual Harassment at the workplace for providing a congenial and safe working atmosphere to women employees.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

IRCON's HR Policies are aligned with the standard practice of business and human rights and are mandated for all employees posted at various stations, projects, offices, JVs and Subsidiaries of the Company. The Human Rights provisions are also built-in our bidding documents for contracts/works invited on a competitive bidding basis covering our suppliers and contractors.

2. How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the management?

No complaint was received regarding violation of human rights during the year 2019-20.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The Company has a CSR and Sustainability Policy to act in a socially, economically and environmentally sustainable manner at all times. It also has an Environmental Manual Occupational Health and Safety Manual and well defined Safety, Health and Environmental policy (SHE Policy) to ensure safety of personnel, operations and assets in all areas of activities. It aims to maintain a healthy and hygienic atmosphere.

The company holds ISO: 14001 – 2015 and ISO: 45001 -2018 Certificates for Environment Management System and Occupational Health & Safety Management System, respectively.

The SHE policy of IRCON encompasses the Company, its subsidiaries in general and relative aspects pertaining to Vendors/ Suppliers/Contractors through General Contract Conditions (GCC).

BUSINESS RESPONSIBILITY REPORT CONTINUED

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage.

IRCON, as a responsible corporate, is committed to safeguard the environment by preventing pollution and conserving natural resources. The Company implements an Environmental Management System at its sites and offices. With global energy demand outgrowing production, there is an immediate need for adopting sustainable practices for energy efficiency, reduce the impact of climate change, preserve the quality of human life and meet government initiatives.

IRCON is providing the features similar to the 'Green Buildings Constructions' at Corporate Office and its project offices, thereby reducing the environmental impacts on water, materials, waste, energy and carbon emission while assuring the quality of life and comfort to the community.

Furthermore, environment-friendly equipment such as solar panels are being actively installed at various offices/projects. The wastewater is recycled at Corporate Office through Sewage Treatment Plant (STP) and refined water is used for horticulture work. STPs are also being constructed at NOIDA, Gurgaon, and MFC buildings. LED lights, sensor lights and sensor taps are being used in the Corporate Office to conserve electricity and water. Various environment-friendly steps such as the use of fly ash brick instead of clay brick, rainwater harvesting arrangements, sensor-controlled Chromium Plate (CP) fittings, use of the latest version of facade glass (glass in the building) to make the building sustainable, amongst others are being taken up across various offices/projects of the Company. The monitoring of water usage and waste water levels, ambient air quality and noise quality is also carried out at several construction sites. The Company emphasises providing a clean environment by initiating indoor air quality monitoring in the Corporate Office building. Additionally, the corporate office and project offices of the Company are undertaking tree plantation in their premises.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has a framework for Impact on Environment due to construction work and document "Environment Impact Assessment due to construction activities" is available on internal website of the company,

which provides for the assessment of ecological aspect for construction activities at its sites. The assessment evaluates the positive and negative impacts that the construction activities may have on the environment consisting of natural, social and economic aspects. It identifies the significant effect of construction activities on the environment. Thereafter, control measures are adopted by the Company to minimise the impact of any significant impact on the environment.

Furthermore, the Company ensures all mandatory clearances, including environment clearance from the Ministry of Environment, Forest and Climate Change before the commencement of any construction at project sites. For certain type of plants like Crusher Plant, Concrete Mix Plant, Hot Mix Plant etc. consent to establish and consent to operate are taken from the concerned authorities.

4. Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

IRCON functions in line with the guidelines related to the Clean Development Mechanism. The Company as a whole, is maintaining the ISO Certification for Environment Management System since 2011. At present, IRCON holds an ISO 14001-2015 Certificate. The Pollution Under Control Certificate (PUCC) is made mandatory for all our plants and machinery with Internal Combustion Engine. In offices, either solar power or battery backup is used to run the offices in case of power failures instead of DG power.

Furthermore, the Company, as a responsible entity, has been diligently contributing to the National movements such as Swachh Bharat Abhiyaan and PM CARES Fund, amongst others CSR activities.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, amongst others? Y/N. If yes, please give hyperlink for web page.

IRCON is an ISO certificated organisation for QMS, EMS and OHSAS since 1996, 2011 and 2012, respectively. The Company is taking initiatives towards the clean environment by using solar energy, installation of sewage treatment plants, use of LED lights and use of sensor fitted lights in building corridors at the Corporate Office and Project Offices.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All legal parameters, including emission norms from any Internal Combustion Engine are kept under control, always. The construction waste, electrical and e-waste are disposed scientifically and through a licensed recycler.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.

No show cause notice/ legal notice is received/ pending from any CPCB/ SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Yes, the Company has an association with several trade chamber and associations such as Standing Conference of Public Enterprise (SCOPE), Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII), Engineering Export Promotion Council (EEPC), Indian Road Congress (IRC), Project Export Promotion Council of India (PEPC), Federation of Indian Export Organisation (FIEO), PHD Chamber of Commerce and Industry (PHDCCI), National Real Estate Development Council (NAREDCO), Institute of P.Way Engineers India (IPWAYEI), Asian (Urban) Institute of Transport Development (AITD) and India Habitat Center (IHC).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

The Company's interests are represented through inputs to government queries, knowledge sharing, response to surveys, feedback on industry needs, the formation of government policies such as GST, Company Law, Industrial policy, Procurement Policy, amongst others. The Company also interacts with government bodies such as the Ministry of Railways, Department

of Public Enterprises and NITI Aayog and participates in various policy formulation such as road map for the development of CPSEs, Make in India and Start-up India, amongst others. The Company responsibly provides its unbiased opinion at a relevant forum for the development of infrastructure in the country and in general, towards sustainable development and corporate social responsibility in the public interest.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.

The Company's affirmative policies, which comply with Government of India guidelines promote diversity, equity and recognise people on their merits and skill sets irrespective of their race, caste, religion, colour, ancestry, marital status, gender, age and nationality.

Furthermore, the Company also has a well-structured CSR and Sustainability Policy (CSR Policy). In view of the same, the Company has various social development projects, which are aimed at promoting healthcare, providing sanitation and creating livelihood for the people especially those belonging to the disadvantaged sections of the society. The details of the projects under the CSR Policy and indicative allocation of the CSR Budget has been given in two categories towards National Development agenda:

- (i) 30% On Swachh Bharat, Clean Ganga, Environmental Sustainability, water conservation, Sanitisation (including activities with orientation towards railways, highways) or any other miscellaneous activity as approved by CSR Committee/ Board under this policy.
- (ii) 70% In School Education, Healthcare, Nutrition and contribution to incubators funded by the Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government and contribution to public funded Universities, Indian Institute of Technologies (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development

BUSINESS RESPONSIBILITY REPORT CONTINUED

Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronic and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

The list of projects under the categories mentioned above is enclosed in the CSR and sustainability Report annexed to Directors Report.

The Company has a limited choice as regard the location of its projects, being the contractor for execution of the projects of Government and other agencies. However, the Company strives for equitable development in procuring the projects as per its policy for MSEs.

2. Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

There is a separate CSR Department for implementing the CSR Policy of the Company. In areas where the Company does not have in-house expertise, the services from the specialised agencies viz. NGOs, Institutes/ Academic Organisation, Government, Semi-government, autonomous organisations, contracted agencies for construction work, professional consultancy organisations, registered trust or society, subsidiary companies of IRCON, amongst others are being taken.

As per DPE Guidelines, IRCON as a CPSE cannot implement the projects through their employees/staff.

3. Have you done any impact assessment of your initiative?

IRCON conducts a third-party assessment every year for its completed CSR Initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The details of contribution towards community development projects under CSR policy has been placed in the "CSR and Sustainability Report" annexed to the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Before undertaking any CSR activity, IRCON follows certain steps for confirming the

sustainability and impact on its beneficiaries and society at large. This involves verification of the reliability and clean track record of the implementing agencies, project reach and objective in line with CSR Policy and requirement from Local administration of the project location, field verification and compliance check, sustainability factor, amongst others.

Apart from above, the CSR department and project offices have an in-house monitoring mechanism to ensure community engagement and adoption of its CSR projects which includes:

Monitoring Mechanism: Project level committees for CSR on each Project have been established for monitoring the projects in areas adjoining the project areas. The periodical progress reports, field visit reports, physical progress reports, community interaction reports, feedback reports from local administration and community, amongst others, of each CSR project are sent to the Nodal officer, who in turn compiles the reports and puts up the progress report to the CSR Committee/Board of Directors for review.

Evaluation by Independent Agency: Upon completion of the CSR projects, evaluations are conducted by an independent external agency for assessing the impact and success of the implementation.

Reporting: To create awareness among stakeholder, detailed status about the CSR Policy, CSR activities and regular updates are being placed on IRCON's website. From time to time, the implementation of the major activities is reported in media. In addition to this, a separate CSR Report is included in the Annual Report.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

Out of total business of IRCON, 99.30% is contributed from Railways and Highways. Most of projects/works of IRCON in the domestic region are awarded by Ministry of Railways, National Highway Authority of India and other government authorities.

Regular meetings with the vendors/suppliers are being carried out at the Project Sites/ offices for speedy resolutions of their grievances/ issues faced by them in the execution of the Project.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Most of the projects/works of IRCON in the domestic region are awarded by Ministry of Railways, National Highways Authority of India and other government authorities. This means that we are not directly linked to the individual customers.

The Company plays a pro-active part in dealing with its clients. During the execution of a project, regular and structured meetings – along with progress review meetings – are often held to take stock of problems and difficulties for immediate remedy or to avoid recurrence thereafter. Any shortcoming/defect during execution is rectified and attended promptly. This approach has led to customers/client satisfaction, which is often reflected in the form of repeat orders.

During the year, the Company has not received any unsatisfactory report from any client/consumer.

For and on behalf of the Board of Directors

Sd/-

(S.K. Chaudhary)

Chairman & Managing Director
(DIN: 00515672)

Place: New Delhi
Date: 25.08.2020

BOARD'S REPORT

To the Members,

The Board of Directors of your Company take pleasure in presenting the 44th Annual Report on the business and operations of the Company, along with the summary of financial statements for the year ended March 31, 2020.

A. FINANCIAL RESULTS

(₹ in crore)

PARTICULARS	STANDALONE			CONSOLIDATED		
	FY2019-20	FY2018-19	% CHANGE	FY2019-20	FY2018-19	% CHANGE
Financial Results						
Total Income/Turnover	5,442	4,680	16%	5,540	4,990	11%
Total Operating Income/ Turnover	5,202	4,415	18%	5,392	4,798	12%
Operating Income from Foreign Projects	443	586	-24%	450	593	-24%
Operating Income from Indian Projects	4,759	3,829	24%	4,942	4,206	17%
Profit Before Tax	673	615	9%	672	624	8%
Profit After Tax	490	445	10%	485	450	8%
Net Worth	4,161	3,950	5%	4,171	3,964	5%
Appropriations						
Dividend (Final & Interim)	223*	202.63				
Dividend Distribution Tax (DDT)	26	41.66				
Earnings per share (₹)	52.08	47.28				

Notes:

* Includes proposed final dividend (subject to the approval of shareholders in ensuing AGM).

FINANCIAL HIGHLIGHTS

The total income of the Company during FY2019-20 stood at ₹5,442 crores as compared to ₹4,680 crores in FY2018-19 and is a record high for IRCON since inception. The operating turnover of the Company for FY2019-20 is at ₹5,202 crores, and it increased by 18% from the previous year, i.e. ₹4,415 crores.

There had been a corresponding increase of 9% in Profit Before Tax (PBT) from ₹615 crores in FY2018-19 to ₹673 crores in FY2019-20. Profit After Tax (PAT) has increased by 10% from ₹445 crores in FY2018-19 to ₹490 crores in FY2019-20.

Net Worth has increased by 5% during the year, and earnings per share have increased by 10% from ₹47.28 in FY2018-19 to ₹52.08 in FY2019-20.

DIVIDEND

The Company is focused on enhancing shareholders value and has a track record of paying dividend consistently since FY1980-81.

For FY2019-20, the Board of Directors had declared an interim dividend of ₹13.45 per equity share (on the face value of ₹10/- each) (i.e. 134.50% on the paid-up equity share capital of ₹94.05 crores) amounting to ₹126.50 crores (approx.), in February 2020. The said interim dividend was paid to all the shareholders on March 2, 2020.

Further, the Board has recommended a final dividend (over and above the interim dividend) of ₹2.06 per equity share on the face value of ₹2/- each (i.e. 103% on the paid-up equity share capital of ₹94.05 crores) amounting to ₹96.87 crore, out of profit for the financial year 2019-20, subject to the approval of the shareholders. Pursuant to the amendments introduced by the Finance Act, 2020, the proposed final dividend is subject to deduction of tax at source as per applicable rates.

With this, the total dividend for the financial year 2019-20 would be aggregated to ₹223.38 crores (approx.) (i.e. 237.50% on the paid-up equity share capital of ₹94.05 crores), which works out to 45.60% of the post-tax profits and 5.37% of net worth as on March 31, 2020. After approval and payment of the proposed dividend, the cumulative dividend to shareholders up to FY2019-20 will stand at ₹1918.32 crores (approx.).

The Dividend has been declared in line with the Dividend Distribution Policy which is framed in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and the guidelines on "Capital Restructuring of Central Public Enterprises" issued by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance.

SHARE CAPITAL/DEMATERIALISATION

During the year 2019-20, the members of the Company through postal ballot have approved splitting of one (1) equity share of the face value of ₹10/- each into five (5) equity shares of the face value of ₹2/- each and consequent amendment in Capital Clause in Memorandum of Association of the Company. The effect of change in face value of the share was reflected on the share price at the Stock Exchanges where the Company is listed (BSE and NSE) with effect from April 3 2020, and corporate action of credit of shares of the face value of ₹2/- each was completed on April 8, 2020, as the record date for this purpose was April 7, 2020. Accordingly, the authorised share capital of the Company is changed to ₹400 crores consisting of 200 crore equity shares of ₹2/- each and the issued and paid-up share capital of the Company is ₹94.05 crores consisting of 470,257,870 equity shares of ₹2/- each.

As on June 30, 2020, all the shares (except only 410 shares in physical form) are held in dematerialised form, the details of the dematerialisation of shares are provided in the Corporate Governance Report.

DISINVESTMENT THROUGH IPO / FPO

The Government of India divested 10.53% of the paid-up equity share capital of the Company in FY2017-18, through an Initial Public Offering (IPO). The Company's shares are listed on BSE and NSE. Post-IPO, the President of India, holds 89.18% of the paid-up equity share capital of the Company.

Based on the market price of Ircon International Limited (IRCON) as on March 31, 2020, it is placed in the top 500 listed companies. As on March 31, 2020, market capitalisation was ₹3,584 crores.

Further, as per 'Listing Regulations', IRCON being a listed entity is required to comply with the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulations) Rules, 1957. SEBI has allowed up to August 2020 to comply with MPS requirement. Hence, to comply with MPS of 25%, Government of India (GOI) is required to divest its shareholding at least by 14.18% through Further Public Offer (FPO). However, SEBI vide circular dated May 14, 2020, has in view of the prevailing business and market conditions granted relaxation for listed entities whom the deadline to comply with MPS requirements falls between the period from March 1, 2020, to August 31, 2020, and advised stock exchanges to not to take any penal action as envisaged in the October 10, 2017 circular of SEBI.

DIPAM, Ministry of Finance, has appointed ITI Capitals Limited as Merchant Banker, and Crawford Bayley & Co. have been appointed as Legal Advisors for disinvestment of equity shares of IRCON through Offer for Sale (OFS) of Shares by Promoter through the Stock Exchange mechanism.

BOARD'S REPORT

TRANSFER TO RESERVES

The Board of Directors has decided to retain an amount of ₹240.41 crore from the profit for Financial Year 2019-20 after proposed final dividend of ₹ 96.87 crores.

CAPEX AND LIQUIDITY

During the year under review, the Company on a consolidated basis spent ₹137.11 crores on capital projects across domestic and foreign Projects largely, for acquiring Plant & Machinery of ₹55.76 crores; for constructing a building of ₹68.92 crores; and ₹9.79 crores on SAP ERP. Despite this significant spend, the Company was able to keep the gross debt level stable during the year. The Company's liquidity position remains strong at ₹2,500.88 crores as on March 31, 2020, comprising ₹769.04 crores in cash and cash equivalent and ₹1,731.84 crores in other bank balances which includes client fund of ₹ 1825.89 crore.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned a foreign exchange of ₹540.62 crores during FY2019-20 as compared to ₹639.62 crores earned during FY2018-19. The foreign exchange outgo stood at ₹525.67 crores during FY2019-20 as compared to ₹607.6 crores during FY2018-19. Thus, the net foreign exchange earnings have decreased by 53.30%, i.e. from ₹32.01 crores in FY2018-19 to ₹14.95 crores in FY2019-20 due to decrease in operating turnover from foreign projects.

IMPACT OF COVID-19

The COVID-19 pandemic is the defining global health crisis of our time and has spread very fast across the continents. But it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide. In view of COVID-19 pandemic and consequent to the nationwide lockdown announced by the Government of India since March 24, 2020, there was a significant adverse impact on the overall Indian economy and hence, on the operations of the Company.

Due to COVID-19 outbreak, the Company temporarily suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. These nationwide lockdown restrictions had impacted the normal operations of the Company by way of interruption of project execution, supply chain disruption and unavailability of personnel during the lockdown period. Construction activities now have started at most of the projects. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. Though the long-term directional priorities of the Company remain firm, in light of COVID-19 and its expected impact on the operating environment, the key priorities of the Company would be to closely monitor the supply

chain, conserve cash and control fixed costs, while continuing to invest in some of the growth areas.

The working of the Company has been streamlined with work from home norms and roster for the employees as per the guidelines issued by the Government authorities. Further, e-office is being encouraged among the officers for faster working, meetings through video conferencing (VC) are being done to maintain social distancing. In addition, the Company has put in place Standard Operating Procedures (SOPs) in line with Government guidelines for ensuring safety at the workplace.

For further information on the impact of COVID-19 on the financial performance of the Company is provided in the Standalone Financial Statement.

With the commencement of works at projects, the Company is constantly reviewing its operation and is making every possible effort to make up for the lost time due to the pandemic. Though the management expects to have a reduction in Revenue and Profitability in the FY 2020-21, the impact of the lockdown disruption will have to be assessed from time to time and communicated as we progress during the current financial year. A few cost reduction measures, such as reduction in travels and tour expenses, conveyance expenses and office expenses etc. have already been put in place. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities. It is therefore premature to forecast the future impact with credibility at this stage. The actual impact of the 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 monitor any material changes to future economic conditions closely.

The Company has also taken various initiatives towards implementation of all precautionary measures to deal with the pandemic. This includes financial support of ₹20.50 crores towards Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM CARES Fund) [₹5.01 crores contributed during the FY2019-20 which includes the contribution of ₹ 51 lakhs by the employees. and ₹15.5 crores contributed after the close of the year].

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes or commitments are affecting the financial position of the Company except the impact of COVID-19 during the financial year and after the close of the financial year up to the date of the report.

B. FINANCIAL STATEMENTS (STANDALONE AND CONSOLIDATED)

The Board of Directors of the Company has, at its meeting held on July 10, 2020, approved the Financial Statements for FY2019-20 (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 [as per line by line method] with its five subsidiaries viz. IrconISL, IrconPBTL, IrconSGTL, IrconDHHH and IrconVKEL; and [as per equity method] with seven joint venture companies viz. IRSDC, ISTPL, CERL, CEWRL, MCRL, JCRL, and BRPL. The accounts of unincorporated joint ventures have been included in the standalone financial statements for the FY 2019-20.

The Company would make available its audited financial statements (standalone and consolidated) / financial statements of its subsidiaries (IrconISL, IrconPBTL, IrconSGTL, IrconDHHH and IrconVKEL) at its website (www.ircon.org). Further, a statement containing the salient features of the financial statements of five subsidiaries and seven joint venture companies in Form AOC-1 is attached to the Financial Statements.

In view of the ongoing COVID-19 pandemic, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Notice, Board's report, Auditor's report or other documents required to be attached therewith), the Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India (SEBI) have prescribed that such statements shall be sent only through e-mails to the members whose emails are registered with the company or with the depository participant/depository, and to all other persons so entitled.

In view of the above relaxation and as part of green initiatives, the electronic delivery of the notice of Annual General Meeting (AGM) and Annual Report is being made to those shareholders whose e-mail addresses are already registered with the respective depository participants and downloaded from the depositories, i.e. NSDL/CDSL. These documents shall be made available on the website of the Company and to the stock exchanges viz. BSE and NSE.

C. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, as required under Regulation 34 read with Schedule V to the SEBI (LODR) Regulations, 2015 and DPE Guidelines, is annexed to the report (Page 36) and is incorporated herein by reference and forms an integral part of this report. It provides an overview of Global and Indian economy, the industry and future outlook; the affairs of the Company, its quality standards, its legal status

and autonomy, financial and operational performance, projects undertaken in FY 2020 and upcoming projects, strengths, scope and opportunities, key concern areas, response to COVID-19, business strategies, risk management, internal control systems and their adequacy as well as material developments in human resource.

D. EXTERNAL ENVIRONMENT MACROECONOMIC CONDITIONS

The World Economic Outlook by International Monetary Fund (IMF) in January 2020 projected global growth to increase modestly from 2.9% in 2019 to 3.3% in 2020 and 3.4% in 2021. The projected recovery for global growth remained uncertain as it continued to rely on recoveries in stressed and underperforming emerging market economies, as growth in advanced economies were expected to stabilise at close to current levels.

However, the world has changed dramatically in the last three months of FY2019-20, as coronavirus (COVID-19) pandemic has resulted in a tragically large number of human lives having been lost. As countries implement necessary quarantines and social distancing practices to contain the pandemic, the world has been put in lockdown. The magnitude and speed of collapse in the activity that has followed is unlike anything experienced in our lifetimes.

This is truly a global crisis as no country is spared. Countries reliant on tourism, travel, hospitality, and entertainment for their growth are experiencing particularly large disruptions. Emerging market and developing economies face additional challenges with unprecedented reversals in capital flows as global risk appetite wanes, and currency pressures, while coping with weaker health systems, and more limited fiscal space to provide support. Moreover, several economies entered this crisis in a vulnerable state with sluggish growth and high debt levels.

The multiple crisis that are being faced by many countries — health crisis, financial crisis, and collapse in commodity prices, which interact in complex ways. Policymakers are providing unprecedented support to households, firms, and financial markets and while this is crucial for a strong recovery, there is considerable uncertainty about what the economic landscape will look like when we emerge from this lockdown.

ECONOMIC OUTLOOK

As restrictions begin to ease, the path to economic recovery remains highly uncertain and vulnerable to the subsequent wave of infections. With a slim prospect of a vaccine becoming widely available this year and faced with unprecedented uncertainty, the OECD in its June 2020 outlook has taken the unusual step of presenting two equally likely scenarios – one

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in which the virus is brought under control, and one in which a second global outbreak hits before the end of 2020. If a second outbreak occurs triggering a return to lockdowns, world economic output is forecast to plummet 7.6% this year, before climbing back 2.8% in 2021. At its peak, unemployment in the OECD economies would be more than double the rate prior to the outbreaks, with little recovery in jobs next year. If the second wave of infections is avoided, global economic activity is expected to fall by 6% in 2020 and OECD unemployment is likely to climb to 9.2% from 5.4% in 2019.

In both scenarios, the recovery, after an initial, rapid resumption of activity, will take a long time to bring output back to pre-pandemic levels, and the crisis will leave long-lasting scars - a fall in living standards, high unemployment and weak investment. Job losses in the most affected sectors, such as tourism, hospitality and entertainment, will particularly hit low-skilled, young, and informal workers.

The global economy is now too fragile for governments to gamble on an automatic sharp bounce back. Governments need to act swiftly and forcefully to overcome the coronavirus and its economic impact. Supportive macroeconomic policies can help to restore confidence and aid the recovery of demand as virus outbreak ease.

E. ENGINEERING & CONSTRUCTION INDUSTRY

GLOBAL ENGINEERING & CONSTRUCTION INDUSTRY

Infrastructure is an important driver for the growth of the economy of any region. Electricity, roads, water systems, public utilities, airports, railways, and telecommunications are essential services that drive economic activity by channelising trade and mobility.

Increased spending on infrastructure as a part of the engineering and construction industry has a multiplier effect on the overall economic growth because of both forward and backward linkages, as it demands industrial growth and manufacturing. This, in turn, boosts the collective demand by improving living conditions.

There is a widespread consensus among governments and businesses that increase in the quality of infrastructure is an imperative for economic growth, but countries on average continue to underinvest. According to the World Economic Forum, worldwide investment in infrastructure is expected to be US\$79 trillion by 2040. However, the actual global investment need is closer to US\$97 trillion. To close this US\$18 trillion gap, average annual global infrastructure investment would need to increase by around 23% per year. Most of this gap is attributed to insufficient investment in the road and electricity sectors.

During 2019, Engineering & Construction industry experienced a robust year, and organisations in the sector have been positioned as active participants in building a smart, connected future. While the revenues are steadily rising, the bottom lines are still under considerable pressure. Among the challenges that the industry faces are sustained cost pressures, ongoing labour shortages that affect productivity, and trends toward fixed-bid projects that often demand a level of pricing and operations precision that is difficult to obtain with traditional systems. While the industry still trails broader digital adoption maturity, the continued adoption of digital technologies could alleviate some of these issues.

INDUSTRY OUTLOOK

Despite the above-mentioned challenges, Engineering & Construction (E&C) companies are poised to potentially benefit from several significant opportunities in the industry. Emerging technologies and megatrends like urbanisation are the driving forces of business in the 21st century, and they both present opportunities for the E&C industry today. The companies that successfully create and execute a strategy to embed digital ecosystem in their businesses will likely be better positioned to survive the cost pressures and labour shortages that currently face the industry. These firms will also be well placed to support the rise of smart cities, and the year ahead promises opportunities for savvy E&C companies to take the lead.

One can expect infrastructure financing to be highly subdued in the first half of 2020. Once the immediate task to contain COVID-19 is over, the focus will need to shift from crisis management to assisting developing economies invest in adequate infrastructure for development, as well as to prevent and mitigate the impact of future outbreaks.

F. 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. However, Ministry of Railways have recently made a significant change in their policy on allotting the projects to PSUs. They have introduced a system of competitive bidding amongst the eligible PSUs for execution of railway works, set aside for the purpose. IRCON expects to be successful in such a bidding process.

During FY2019-20, the Company secured works worth ₹633.48 crores. The order book as on March 31, 2020, stood at ₹30,713 crores (approx.) as compared to ₹33,901 crores (approx.) as on March 31, 2019. The order book as on 30.06.2020 stood at Rs.30,263 crores (approx.).

G. OPERATIONS AND PERFORMANCE

IRCON GROUP PERFORMANCE

During the year under review, IRCON ('the Group') on a consolidated basis recorded turnover of ₹5391.51 crore (previous year: ₹4798.43 crores), with an increase of 12.36 % over the previous year. This increase is primarily attributable to an increase in the turnover of domestic projects.

The Group EBITDA was ₹773.58 crores (previous year: ₹678.96 crores), an increase of 13.94 % over the previous year. EBITDA increased mainly on account of increase in PBT, Interest cost and amortisation expenses during the current FY 2019-20.

During the year under review, the Group reported a consolidated profit after tax of ₹485.31 crores (previous year: ₹450.07 crore) which translated into a Basic Earnings per Share of ₹51.60 (previous year ₹47.85). Profits were higher than the previous year by ₹35.24 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 caters to customer needs in many other areas such as the construction of commercial and residential complexes, power transmission lines, industrial lighting, bridge and flyovers, tunnels, electrical and mechanical work, signalling and telecom, coach factory, station building, multi-function complex, and airports. The diversification of project portfolio across various sectors has helped us in de-risking the construction business and reduce our dependence on any sector or type of project.

COMPLETED PROJECTS

During the financial year 2019-20, following projects in India were completed:

1. Setting up of new Rail Coach Factory at Rae Bareilly including additional works, for Ministry of Railways at a value of ₹2,605 crores.
2. Construction of Road Over Bridges (ROBs) in the State of Bihar, for Ministry of Railways, Government of Bihar at a value of ₹671 crores.
3. Construction of ROBs in the State of Rajasthan, for Ministry of Railways, Government of Rajasthan at a value of ₹649 crores.

ONGOING PROJECTS:

COMMERCIAL DEVELOPMENT OF 4.3 HECTARE RAILWAY LAND AT WESTERN EXPRESS HIGHWAY, BANDRA EAST, MUMBAI FOR 99 YEARS

The Company entered into a Memorandum of Understanding 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, against the payment of Upfront Lease Premium. In consideration of its roles and responsibilities, IRCON is entitled to receive from RLDA, a fee for an amount equivalent to a total of 3% (three per cent) of the Upfront Lease Premium for which a tripartite loan agreement was executed between IRCON, RLDA and Indian Railway Finance Corporation Limited (IRFC).

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

FUTURE PROJECTS

In the coming future, IRCON is looking forward to undertake important domestic projects in various sectors such as Railway, Highway and tunnel etc. These includes implementation of Mumbai-Ahmedabad High Speed Rail Corridor with Japanese funding, Highway Projects on BOT, EPC and HAM basis, Consultancy works, Tunnel Projects and Railway works on competitive bidding.

INTERNATIONAL PROJECTS

Contribution of international projects to the total revenue has decreased from approximately 12.92% in Fiscal Year 2019 to approximately 8.75% in the Fiscal Year 2020. The decrease in international project income is mainly due to completion of Project at South Africa in the last year and no new order except order awarded at the beginning of FY2019-20 by Sri Lankan Railways. Nevertheless, this fall in revenue from projects in foreign countries has been partially offset by our performance in the domestic market, and we continue to actively participate in new projects in foreign countries, including one ongoing project in Bangladesh, Algeria and Sri Lanka. By continuing to diversify our business and geographical focus, we strive to secure a broader range of projects to maximise business volume and profit margins.

ONGOING PROJECTS

The Company is executing the following three projects in foreign countries:

i. Bangladesh

The Company secured a project in Bangladesh for construction of Khulna-Mongla Port rail line for Bangladesh Railway, at US\$ 148.82 million (₹911 crores converted), and the revised cost is expected to reach US\$ 175.75 million (₹1,338 crores). 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. The physical progress up to March 2020 is 52.42%. The work was commenced in March 2016 and was expected for completion in December 2020.

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However, this may further extend on account of Current health pandemic.

At the initial stage, the project progressed slowly due to delay in handing over the encumbrance free land, issuance of drawings for alignment (L-section and X-section) of bridges and buildings by the respective engineer/Bangladesh Railway. However, now the project is in full swing on all fronts after easing of restrictions due to COVID-19 pandemic.

ii. Algeria

In Algeria, the Company secured a project for installing a double-track line of 93 km. The project was awarded by ANESRIF, Ministry of Transport, Government of Algeria, at a value of Algerian Dinar 1,628 crore (₹1,003 crores converted). 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 of Algerian Railways. The value of the contract, including additional works for the realisation of the double line, has been revised to Algerian Dinar 3,268 crore (₹2,248 crores converted).

The project is likely to be completed in June 2022. The reasons for the delay include a significant increase in the scope of work, delay in payments due to non-allocation of funds to the project, excessive delay in the approval of amendments, delay in the approval of drawings and removal of obstructions, and delay in resolving the discrepancy in the mode of payments.

The work of 72 km new track has been handed over to the client in spite of the cash flow problems, which are hampering progress, particularly the structural works awarded to sub-contractors. Work on the existing line has also started in the first stretch of 32 km out of 77 km of the existing line, 6 out of 7 station buildings are ready to be handed over, and the bridge construction work has also picked up with the assurance of timely payments. The client has assured uninterrupted payments, which will improve the progress of work and is expected to complete by June 2022.

iii. Sri Lanka

The Company secured one project in Sri Lanka which includes upgradation of Railway Line from Maho to 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 crores) Civil works are in progress.

Under the project, IRCON will upgrade single line broad gauge track from Maho-Omanthai of around 128 km length including associated infrastructure works. The project was awarded in April 2019 and is to be completed within 36 months. The project is financed through EXIM Bank of India as per Indian lines of credit.

FUTURE PROJECTS

The Company endeavours to continue its strategy of diversifying across industry segments and increase orders from foreign countries to capture better profit margins accorded by these projects as compared to domestic projects. Concerted efforts are being made to secure contracts in Bangladesh, Thailand, Turkey, Ghana, Sri Lanka, Mozambique, Rwanda, UAE, Malaysia, Oman and Guinea.

REAL ESTATE SECTOR

In terms of the Corporate Plan, IRCON has identified Real Estate Sector for selective diversification, keeping in view the tremendous potential in this Sector. Accordingly, IRCON participated in the open tenders for allotment of Commercial Builder Plots-I (Scheme No.2013-14) on leasehold basis for 90 years at various sectors in NOIDA in the year 2014. IRCON was allotted 8 Plots, in Sector 1, Sector 43 (4 Plots clubbed), Sector 48 (2 Plots clubbed) and Sector 125 at NOIDA (UP). For preparation of comprehensive Business Plan for commercial development of these plots Real Estate Consultant were appointed and these properties were developed.

The Sector 1 commercial complex in NOIDA will be leased out after COVID-19 situation is normalised, wherein out of five floors three floors will be utilized as IRCON's Regional Office etc. Bidding to lease out the commercial building at Sector 48, NOIDA is under process, however the bid submission dates have been shifted due to unavoidable circumstances arising out of COVID-19. The leasing of Retail Mall in Sector 43, Noida has been finalised though, for delay due of lockdown an extension of 6 months have been agreed mutually to meet the condition precedent and entering into Agreement.

The Company is also developing property on plot procured from Haryana Urban Development Authority (HUDA) in Sector 32, Gurugram, Haryana which is in advanced stage of completion. The property is admeasuring 34,000 square metres and is registered as 'IRCON International Tower'. It comprises of two towers of G + 13 and G + 5 along with 250-seater auditorium and is being developed as training centre and hostel with a cost of ₹96 crores approximately (including the cost of land of approx. ₹5.8 crores). The process to lease out or to sell building will start soon.

Considering the above properties and other immovable assets of the Company distributed across the country, the Company has established a separate Estate Management Department to exclusively look after the real estate business of IRCON. Post COVID-19 situation, the strategy towards real estate development is required to be re-looked into to take care of the various requirements arising out of this unprecedented situation.

H. SUBSIDIARY COMPANIES, JOINT VENTURE COMPANIES, AND ASSOCIATE COMPANIES

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

I. COMPLIANCES

PRESIDENTIAL DIRECTIVE

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:

- a. Pledge by all employees to work in Hindi completely on last Monday of every month.
- b. Rajbhasha Sanghasthi is being conducted on a quarterly basis in Corporate Office.
- c. Birthday wishes to employees, a thought and a word, contributed by different departments on rotational basis, a poem by renowned poets etc. are being displayed in Hindi at the reception.

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.

RIGHT TO INFORMATION ACT, 2005

As per the requirements of the RTI Act, necessary, updated information including the names of Appellate Authority, Central Public Information Officer, Assistant Public Information Officer and State Level Public Information Officers are posted on IRCON's website.

Queries received have been replied within the stipulated time. The queries mostly related to service matters/recruitments, finance, contract, and projects. The details of RTI cases have been published in the Central Information Commission (CIC) website on quarterly as well as the annual basis, and a copy of the same is forwarded to the Ministry of Railways for information.

During the year 2019-20, 190 applications and 29 first appeals were received. At the beginning of the year, 04 applications and 01 appeals were under process for disposal within the allowable time limit (i.e. total 194 applications and 30 appeals during the year). Out of this, 185 applications and 28 first appeals were processed/disposed off. As on March 31, 2020, 09 applications and 02 appeals were under process for disposal within the allowable time limit.

COMPLIANCE OF MSME GUIDELINES FOR IMPLEMENTATION OF PURCHASE PREFERENCE POLICY

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 (MSME) under section 11 of Micro, Small and Medium Enterprises Development Act, 2006. The e-procurement portal of IRCON provides for facilitation of registration of MSEs firms registered with any statutory bodies specified by Ministry of MSME and participation in e-tender by availing the benefits of exemption from payment of the cost of tender fee and Earnest Money.

During the financial year 2019-20, the Company has procured items valuing ₹178.90 crores from MSEs vendor against the expenditure valuing ₹466.32 crores towards materials and stores. Value of items beyond the scope/capacity of MSE Vendors amounts to ₹244.75 crores. Therefore, during FY 2019-20, the Company has achieved 81% of net procurement valuing ₹221.57 crores from MSEs after excluding the value of items beyond the scope/capacity of MSEs in compliance to Procurement Policy. The Company has conducted a special vendor development Programme at the Corporate Office for MSEs, including SC/ST entrepreneurs on February 19, 2020.

In exercise of powers conferred by section 9 of the Micro, Small and Medium Enterprise Development Act, 2006, the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than ₹500 crores and all CPSEs shall be required to get themselves on-boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. The Registrar of Companies (RoC) in each State shall be the competent authority to monitor the compliance of such instructions and also the Department of Public Enterprises, Government

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of India shall be the competent authority to monitor the compliance of such instructions by the CPSEs. In compliance with the above instruction, the Company has boarded on the 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.

J. HUMAN RESOURCE DEVELOPMENT

Human resource has always been one of the most valued stakeholders for IRCON. The Company is committed to creating and maintaining an ideal work culture for an engaged and capable workforce to deliver for the future. We have strong values, pioneering practices, a culture of working together through joint consultation amongst Management and a very strong commitment towards community development. Our people practices have always been centred around employee welfare and wellness, creating an environment of collaboration and connection.

Human Resource Management (HRM) of IRCON is primarily concerned with the management of people within the organisation, focusing on policies and systems. HRM in IRCON is designed to maximise employee performance to achieve strategic objectives. The Company has adopted and aligned its HR strategy vis-a-vis systems and procedures, taking into account the business objectives and competence building needed for the organisation. HR strategy acts as a motivating factor for the employees who contribute to the core competence of the organisation to create a match between the Company's future needs and the aspirations of individual employees.

IRCON's HR Philosophy is rooted in encouraging employee empowerment, growth and development of individuals by realising their potential, encouraging innovative ideas and fair distribution of rewards. Its work culture is open and dynamic, enabling employees to take the initiative in jobs with the active support of the top management. It is an employer of choice and attracts the best available talent with skill sets required for the growth and development of the organisation.

Right placement and refinement of employees is the primary function after induction by which the Company maintains the alignment of individual performance and goals with that of IRCON's Goals. Adequate care is taken to provide a working environment for the employees conducive to their good health.

The Company has a performance-oriented culture wherein the contribution of every employee to the organisation is measured and suitably rewarded. IRCON has a sound and result-oriented Performance Management System (PMS). The system promotes the Company's philosophy of rewarding and recognising meritocracy at all levels and support the development

of executives through a structured approach is woven into the appraisal of the Company.

MANPOWER STRENGTH

The total manpower strength of IRCON as on March 31, 2020, stood at 1,369, (previous year 1576) which included 1,119 regular employees, 30 employees on deputation, 216 on contract (including service contract) and 04 on fixed tenure basis. Out of the total 1,369 employees of the Company, 1,310 have been posted on Indian projects and 59 on international projects. Among 1369 employees, 1,005 are technically and professionally qualified. The total number of women employees was 68 as at the end of the year. The total manpower strength has reduced from the previous year, as the Company is looking for ways to optimize the costs.

During the year, the total newly employed personnel stood at 64, which included 37 regular employees, 11 employees on deputation, and 16 on a 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 556 SC / ST / OBC and differently-abled employees as on March 31, 2020.

Further, during the year 2019-20, 37 employees were inducted against regular posts, out of which 12 belong to SC / ST / OBC and differently-abled categories. Similarly, 07 employees were recruited against the contractual positions, out of which 02 belong to SC / ST / OBC and differently-abled categories.

In FY2019-20, training has been given to 848 employees, out of which 317 belong to these categories. To ensure the welfare of these employee categories, the Company has appointed Liaison Officers of SC/ST/OBC and differently-abled employees.

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 financial year 2019-20, 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 year 2019-20, a total 3,001 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 subsidised canteen facility, health cover, medical scheme, post-retirement medical scheme, post-retirement pension scheme, periodic health check-ups 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, facility of free homoeopathy and allopathy consultancy at Corporate office, 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

The Company aims to provide a congenial and safe working atmosphere for women employees. The Company has in place a comprehensive policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace covering all the employees (on regular including deputationists, temporary, ad-hoc, contract / service contract or daily wages basis, either directly or through an agency, including a contractor, co-worker, a contract worker, probationer, trainee, apprentice etc.) of the Company and the same is available at the website of Company.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a five-member complaints committee for the prevention of sexual harassment at workplace comprising of four officials of the Company and one external member from NGO. Further, provision pertaining to the prohibition

of sexual harassment has also been incorporated in IRCON Conduct, Disciplinary, and Appeal Rules. No complaints relating to sexual harassment has been received by the Company during the year or pending from the previous year.

The training module imparted by the Company for induction training of new employees and Management Development Program on 'Women as Leaders' at International Management Institute, New Delhi covered the topic of Gender Sensitisation/Sexual Harassment. Further, the Company had organised various health awareness talk for the employees at the Corporate Office-like 'Lifestyle & Heart Diseases and Recent Advancement in treatment of Cancer' by Dr. Sanjeev Sharma, Senior Consultant Cardiology and Dr. Irfan Bashir, Consultant, Radiation Oncology from Batra Hospital & Medical Research Centre; 'Snoring Reasons and Care' by Senior Doctors of Max Healthcare hospital.

K. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Stemming from the belief that what comes from society should go back to society, corporate social responsibility and sustainability are deep-rooted in the culture of the organisation.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

IRCON has long recognised social responsibility as an integrated part of its overall business strategy. We believe that there is a definite connection between a robust business and a healthy community. They are not mutually exclusive, and today, it is more important than ever that we all realise this and come together to shape inclusive economies and cultures and extend opportunities for all.

Our strategy is to develop solid and thoughtful initiatives to impact our communities to a more considerable extent. We carefully integrate social and environmental concerns in our business operations and interactions with our stakeholders. Our CSR activities extend into the areas of education, employment and skill development; environment sustainability; clean water & sanitisation; sports; homes & shelters; culture & heritage; rural transformation; and contribution to PM CARES fund set-up by the Central Government.

The Company has in place a CSR & Sustainability Policy (CSR Policy) providing guidelines to conduct CSR activities of the Company, which is available on the website of the Company www.ircon.org.

During the year under review, the Company has spent ₹10.04 crore on CSR activities. Further, DPE has issued guidelines for CSR expenditure vide O.M. dated December 10, 2018, and on May 29, 2019, to the CPSEs which inter-alia provide adoption of a theme-based approach for undertaking CSR activities, to

BOARD'S REPORT

spend 60% of the annual CSR allocation for thematic programs and give preference to the operational districts under their CSR. For the FY 2019-20, school, education, health care & nutrition has been kept as a common theme for undertaking CSR activities for 2019-20. IRCON CSR Budget for the Financial Year 2019-20 was ₹9.88 crores, and the total fund donated to Prime Minister Care Fund is ₹4.5 crores against the balance budget of ₹5.38 crores. IRCON has spent ₹3.76 crores for the FY 2019-20 against the DPE theme, i.e. school, education, health care and nutrition, which is 69.88% of balance budget.

The Corporate Social Responsibility and Sustainability Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, is annexed and forms part of this report.

QUALITY, HEALTH AND SAFETY

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 January 2020, 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 2023.

Accordingly, during the year, the Company continued the initiative of sharing technical knowledge, which was started in the last year. To enhance the technical knowledge of the Company's Engineers and Managers regarding the latest versions of IS/IRC/IRS and other international specifications and codes, knowledge was shared on the topics like Ground Exploration, and Engineering Report on Geotechnical Investigations, Casting & Testing of pre-stressed concrete (PSC) Sleepers (25t Axle Load), Superpave – A new method of design of bitumen mixes for flexible pavements, Manufactured Sand, and Concept of Cracks in RCC Structures and Monitoring. In addition to this, Standard Project Procedure Manual (PPM), Legal Requirements for Occupational Health & Safety, Risk and Opportunity Concepts as per ISO Standards, Emergency Preparedness and Response Plan for Construction Projects 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.

During FY2019-20, IRCON received the 'Certificate of Appreciation for Good Practices in Quality System' from FICCI on April 20, 2019.

The Company has also been certified for Occupational Health & Safety Management System (OHSAS – BS 18001:2007) in December 2012, by TÜV SÜD South Asia. The Company has updated the Occupation Health and Safety System and got ISO:45001-2018 Certificate w.e.f. December 28, 2018, with validity until December 2021. To ensure Quality and Safety at the site, the clause of General Conditions of Contract (GCC) is amended for implementation of Quality, Safety, and Health Standards by the Contractor while carrying out the work.

Corporate Quality Council and Project Quality Council meetings were conducted quarterly at Corporate Office and at projects to review the implementation of Quality Management System (QMS), Environment Management System (EMS), and OHSAS. The Quality objectives were 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 projects 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.

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 January 2020 whereby the Company has been re-certified for another three years, i.e. up to February 2023.

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 NOIDA, Gurgaon and Multi-Functional Complex (MFC) buildings.

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.

L. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND UPGRADATION

CONSERVATION OF ENERGY

STEPS TAKEN OR IMPACT ON THE CONSERVATION OF ENERGY:

The Company has completed work of design, supply, installation, testing and commissioning of the grid-connected solar power plant of 3MW capacity with all the electrical and associated equipment including civil works at Rail Coach Factory, Rae Bareli (Uttar Pradesh) at a value of ₹22.49 crore. The plant is fully operational and meets about 36% of the electrical energy requirement for the factory.

Further, IRCON has placed the order for design, supply, installation, testing and commissioning of grid-interactive rooftop solar photovoltaic power generation plant of 218KWp capacity with all the electrical and associated equipment including structure works at New State-Of-Art Building of Department of Science and Technology at Technology Bhavan, New Mehrauli Road, New Delhi at a value of ₹1.53 Crores.

Moreover, additional capacitor banks have been installed at the Corporate Office buildings to improve the power factor, which would further reduce the Electrical Energy consumption to approx. 12-15%.

- (a) Additional 10 KW Roof Top Grid Connected Solar Power Plant at Corporate Office is a step to conserve energy. This Solar Power Plant is in addition to the existing capacity of 80 KW and has been implemented after energy audit contributing to environment through usage of Green Energy. Total energy produced by Solar Power plant is 44,853 units of kWh which are 3.1% of the energy being drawn from BSES, i.e. 14,27,380 units or kWh. Hence, the total energy conservation per annum is 3.1%.
- (b) Capacitor banks have been installed at Corporate Office building to improve power factor, which further reduces the Electrical Energy consumption. Total energy saved by capacitor banks is 2,20,903 units or kWh per annum.
- (c) The internal lighting of Corporate Office building by energy-efficient LED lamps also add in an energy saving of approx. 3,00,000 units or kWh per annum.

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

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

- (a) Diesel Generator Sets - New State-Of-Art Building of Department of Science and Technology at Technology Bhavan, New Mehrauli Road, New-Delhi - 1500KVA x2 sets.
- (b) UPS - New State-Of-Art Building of Department of Science and Technology at Technology Bhavan, New Mehrauli Road, New-Delhi - 1x100KVA, 1x60KVA and 1x15KVA.

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

During the year, the company has not made any capital investment on energy conservation equipment.

TECHNOLOGY ABSORPTION AND UPGRADATION

EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

Towards technology upgradation, the Company has purchased a New Track Construction (NTC) machine 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. At present, only two companies have this machine. The total addition to Plant & Machinery has been made for an amount of ₹102.67 crores in DFC project which includes capital work in progress of ₹46.89 crores of the previous year.

Moreover, use of e-Office has been started at the Corporate Office, and other project offices from January 2020 to enhance transparency, accountability, data integrity, promote greater collaboration in the workplace and effective knowledge management.

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)

- a. Details of technology imported

The technology of laying longer rail panels at a 260 meter length by machine is being used by Dedicated Freight Corridor Corporation of India Limited (DFCCIL) [one of the CPSE under the Ministry of Railways] for the first time in Indian Railways. IRCON also being a contractor

BOARD'S REPORT

of DFCCIL has purchased the machine i.e. New Track Machine (NTC) from M/s Harsco, USA along with the supervision so as to train our Indian team deployed in the project to get efficient for adoption of the technology in long run.

- b. Year of import
2019
- c. Whether the technology been fully absorbed
As of now, 8.5 Track kms of long panels (Scope 372 kms) have been laid.
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
Due to various site constraints the laying of long rail panels duly using NTC may take another 1-1/2 to 2 years and accordingly absorption of this technology will be a slow process.

M. RESEARCH AND DEVELOPMENT

The 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.

N. INFORMATION TECHNOLOGY AND ERP

Information Technology in the company is not only a service provider but is also being used for productivity enhancement. The Company has implemented SAP ECC based Enterprise Resource Planning (ERP) application in the areas of Finance Controlling and Human Resource Management to improve information availability, transparency and decision making. SAP Business Objects (SAP BO) has also been implemented to automate the financial reporting of the organisation. This reporting tool takes the real-time data from SAP ECC and helps in preparation of Balance Sheet, Statement of Profit & Loss, Statement of changes in equity, Cash Flow etc. on-demand basis. This automation is under the process of implementation and has led to a drastic reduction in time and effort required to prepare and finalise the books of accounts at the end of the quarter/year. IRCON is currently in the process of implementation of SAP S/4 HANA covering end-to-end business processes of the organisation. SAP servers are hosted on cloud to ensure high availability security and flexibility for capacity augmentation.

As a step towards a paperless office, e-office system from NIC has been implemented for online movement and approvals of files and note sheets and has replaced the physical file system. The e-office system has already been deployed for all domestic and foreign projects of IRCON. The video conferencing facility is being widely used for conducting review meetings with Project Heads, training, promotion interviews etc. especially in the era of COVID-19, it

is considered to be one of the important tools for effective and efficient review of the Projects and other meetings including Board and its Committee meetings. The intranet application for employees has been revamped catering to the information needs of employees across the organisation including Employees Self Service (ESS) functionality covering Leave & Attendance, Online viewing of Payslip and Provident Fund (PF) Slip etc.

The Company has implemented Wi-Fi with proper security features at Corporate Office to enable mobiles and Bring your Own Devices (BYOD) of employees to be connected to the Company network. In order to improve upon efficiency and bringing transparency in the procurement process in the organisation, the e-procurement platform has been moved to GePNIC, which is developed by National Informatics Centre (NIC), i.e., Ministry of Electronics & Information Technology, Government of India.

The Company has upgraded its Network Infrastructure at Corporate Office to ensure state of the art set up for digital transactions and projects connectivity. Keeping in view the need for Information and Cybersecurity, effective measures are being taken to deploy the latest threat management tools to prevent any cyber-attack or data theft.

O. CORPORATE GOVERNANCE

The Company ensures that it evolves and follows the corporate governance guidelines and best practices diligently, not just to boost long-term shareholder value but also to respect minority rights. It is the inherent responsibility of the Company to disclose timely and accurate information regarding the operations, performance, leadership and governance of the Company.

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance, the Corporate Governance Report, along with compliance certificates of Corporate Governance, are annexed and forms part of this report.

BOARD OF DIRECTORS AND KMPs

As on March 31, 2020, Company has eleven directors of which four are whole-time directors [Chairman & Managing Director, Director (Finance), Director (Projects) and Director (Works)], two are Government Nominee Directors, and five are Independent Directors including one-Woman Director.

With effect from December 28, 2018, the Company is not having prescribed number of Independent Directors on the Board of the Company. After the close of the year, the tenure of two independent directors (including women director) got completed. Accordingly, the Company has requested the Ministry of Railways for appointment of requisite number of

Independent Directors (including woman director) in order to comply with the statutory requirements.

DIRECTORS & KMPs WHO WERE APPOINTED & ALSO WHOSE TENURE HAS ENDED

In accordance with the order issued by the Ministry of Railways, the Board has appointed Shri Hari Mohan Gupta, Part-time (Official) Director (DIN: 08453476) w.e.f. May 15, 2019, who was regularised as Director in the last Annual General Meeting (AGM) held on September 3, 2019; and Shri Shyam Lal Gupta, Director (Projects) (DIN:07598920) who was appointed as an Additional Director on November 1, 2019, and shall hold the office up to the date of ensuing AGM. Shri Shyam Lal Gupta being eligible offer himself for re-appointment and the resolution for regularisation as Director forms part of the Notice of AGM.

Further, in terms of the order by the Ministry of Railways, Shri Avineesh Matta (DIN: 00011749) and Prof. Vasudha V. Kamat (DIN: 07500096) have re-joined the Board of IRCON as Independent [Part-Time (Non-Official)] Directors w.e.f July 15, 2019 whose tenure ended on March 31, 2020.

OTHER DIRECTORS WHOSE TENURE ENDED DURING THE YEAR

- i. Shri Sukhmal Chand Jain, Part-time (Official) Director on May 08, 2019 (due to change in nomination by the Ministry of Railways).
- ii. Shri Deepak Sabhlok, Director (Projects) on October 31, 2019 (due to superannuation).
- iii. Shri Piyush Agarwal, Part-time (Official) Director on March 31, 2020 (due to superannuation).

DIRECTORS APPOINTED AFTER THE CLOSE OF THE YEAR

After the close of the financial year 2019-20, Shri Sudheer Kumar (DIN: 01429832), Additional Member (Planning) Railway Board was appointed as Part-time (Official) Director on the Board of the Company w.e.f. May 12, 2020. Consequent upon attaining the age of superannuation on June 30, 2020, he superannuated from the post of Additional Member (Planning), Railway Board, and hence ceased to be Director in IRCON. Also, Shri Ashutosh Gangal (DIN:07057313) Advisor (Planning), Railway Board was appointed as Part-time (Official) Director on the Board of the Company w.e.f. August 27, 2020. He has been appointed as Additional Director of the Company and shall hold the office upto the date of ensuing Annual General Meeting (AGM). The details of Shri Ashutosh Gangal to be regularized as Director at the ensuing AGM, are contained in the Notice convening the ensuing AGM of the Company.

INDEPENDENT DIRECTORS' DECLARATION

The Company has received necessary declaration from all Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, read with Regulations 16 and 25(8) of the Listing Regulations

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 Listing Regulations. The declarations have been noted by the Board of Directors.

The Ministry of Corporate Affairs (MCA) has issued certain 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). Accordingly, all the Independent Directors have registered their names on data bank of IICA. The online proficiency self-assessment test can be given upto December 2020 .

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Board of Directors of the Company has designated all the whole-time Directors and Company Secretary as the Key Managerial Personnel (KMP) of the Company; and Chairman & Managing Director (CMD) and Director (Finance) have been designated as CEO and CFO, respectively.

The Key Managerial Personnel of the Company during the year 2019-20 are – Shri Sunil Kumar Chaudhary, Chairman and Managing Director & Chief Executive Officer, Shri Mukesh Kumar Singh, Director (Finance) & Chief Financial Officer, Shri Yogesh Kumar Misra, Director (Works), Shri Deepak Sabhlok, Director (Projects) (up to 30.10.2019), Shri Shyam Lal Gupta, Director (Projects) (From 01.11.2019) and Ms. Ritu Arora, Company Secretary.

RETIREMENT OF DIRECTORS BY ROTATION

The Companies Act, 2013 provides that the provisions in respect of retirement of Directors by rotation will not be applicable to the Independent Directors. In view of this, no Independent Director is considered to be retiring by rotation. However, all other directors are considered to be retiring by rotation. Accordingly, as per provisions of section 152 of the Companies Act, 2013, one third among all other directors (excluding Additional Directors whose tenure will end at the AGM) namely Shri Mukesh Kumar Singh (DIN: 06607392) is liable to retire by rotation and being eligible, offer himself for re-appointment.

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

BOARD MEETINGS

The Board met nine times during the year under review on May 15, 2019, May 28, 2019, July 12, 2019, August 8, 2019, October 16, 2019, October 24, 2019, November 13, 2019, December 17, 2019, and February 11, 2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, DPE Guidelines and the Listing Regulations.

BOARD'S REPORT

Moreover, during FY2019-20, various committees of the Board met the following times:

Committees	Meeting held during FY2019-20
Audit Committee	9
Nomination and Remuneration Committee	6
Stakeholders' Relationship Committee	2
CSR & Sustainability Committee	3
Project Progress Review Committee	4
Risk Management Committee	2
Independent Directors Committee	1

The meetings of the Board are normally held at the Company's Registered Office in New Delhi. However, one meeting of the Board of Directors was held at Srinagar, Jammu & Kashmir, as per the Office Memorandum of DPE on this matter and in order to promote the development of tourism sector in the country.

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.

EVALUATION

IRCON is a Government Company under the administrative control of Ministry of Railways. The selection procedure for all the directors is also laid down by the Government of India, and all the directors of the Company have been appointed in accordance with the said procedure. The functional directors including Chairman and Managing Director (CMD) are selected on the recommendations of Public Enterprises Selection Board (PESB) in accordance with the procedure and guidelines laid down by Government of India, and there are system and procedure laid down by Department of Public Enterprises (DPE) for evaluation of its functional directors including CMD. The evaluation framework for assessing the performance of functional directors comprises of the following key areas:

- Performance of the Company under the MOU signed with the Ministry of Railways.
- Performance with respect to the targets fixed for the respective director.
- The evaluation includes self-evaluation by the respective functional directors and subsequent assessment by CMD, and thereafter final evaluation by the Ministry of Railways (the Administrative Ministry).
- In respect of CMD, the evaluation includes self-evaluation and final evaluation by the Ministry of Railways.

In respect of Government nominee directors, their evaluation is done by the Ministry of Railways as per the procedure laid down. Since independent directors are also appointed by the Government of India, their evaluation is also done by the Ministry of Railways and finally by DPE.

The remuneration policy of the Company and the procedure and policy for appointment of Senior Management are approved by the Nomination & Remuneration Committee.

REMUNERATION POLICY FOR THE BOARD AND SENIOR MANAGEMENT

IRCON being a Government Company, the remuneration payable to its functional directors, senior management officials, and all other employees is in accordance with the guidelines issued by Department of Public Enterprises (DPE). As required in terms of section 178(4) of the Companies Act, 2013, the salient features of the policy relating to the remuneration for the key managerial personnel and other employees is placed on the website of the Company at the web address www.ircon.org (HRM and Career Sections).

Further, as per provisions of section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose certain details of the remuneration of the Directors in the Directors' Report. However, as per Notification No. GSR 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013.

Accordingly, IRCON being a Government Company such particulars are not included as part of the Directors' Report. However, remuneration paid to directors during FY 2019-20 is disclosed in the Corporate Governance Report.

INTERNAL CONTROL SYSTEMS AND INTERNAL AUDIT

The company has in place adequate financial controls with reference to financial reporting in compliance

with the provisions of the Companies Act, 2013 and such internal financial controls over financial reporting were operating effectively. The controls have been designed to provide assurance with respect of maintenance of proper accounting records, ensuring the orderly conduct of its business including adherence to the company's policies, safeguarding of its assets, prevention and detection of fraud and errors and ensuring the reliability of financial and operational information. The internal control system (including Internal Financial Controls over Financial Reporting) are reviewed on an ongoing basis, and necessary changes are carried out to align with the changing business requirements.

Details of the internal control system are provided in the Management Discussion and Analysis Report.

RISK MANAGEMENT

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

As per SEBI (LODR) Regulations 2015, the requirement of Risk Management Committee is applicable with effect from April 1, 2019. The Company, however, is already having a Board level Risk Management Committee comprising Director (Projects), Director (Finance) and Director (Works).

During the year, two meetings of the Risk Management Committee was held on September 9, 2019, and March 4, 2020.

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 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 behaviour, 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.

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 FY2019-20, the Department has carried out 01 surprise inspections and 09 periodic inspections on high-value projects. Apart from surprise and periodic inspections department has carried out 03 preventive inspections on high-value tenders floated from the corporate office. Chief Technical Examiner's Organisation (CTEO) (Technical wing of Central Vigilance Commission) has also carried out an extensive investigation of 01 project.

Complaints raised against officials and procedures by various Authorities (such as CVC/Railway Board Vigilance, CBI, and Prime Minister's Office) and received from other sources were investigated to their logical conclusion. During 2019-20, the Department has received a total of 15 complaints, out of which 10 complaints were disposed off. Most of the complaints related to the awarding of tenders. In addition, steps were taken for closure of Paras raised by the CTEO. Scrutiny of immovable property returns of employees, creating awareness on rules/procedures/common irregularities in execution through workshops, training, debate, and competitions have been the prime activities of the Department.

As a step towards 'Leveraging of Technology' for better transparency, submission of Online Immovable Property Returns by the officer was started during 2012-13, and the process is running successfully. Online Vigilance Clearance started w.e.f April 1, 2014, in the organisation through our intranet portal. Vigilance section/portal on the website of the Company (www.ircon.org) with a facility for online receipt of complaints is in place since December 2012. 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.

As a new initiative, IRCON has an application, namely "IRCON Career". This application has been provided in the public domain to ensure that the public at large receives alerts and updates over the mobile phone regarding recruitment activities at IRCON. Apart from this, the Company also has another application called "Tender Info". All tenders which are hosted on IRCON's tender wizard portal can also be seen on this mobile app.

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Moreover, IRCON has implemented Integrity Pact, which is a tool developed by Transparency International India 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. Memorandum of Understanding (MOU) was entered on April 22, 2014, between IRCON and Transparency International India to implement Integrity Pact in IRCON.

Accordingly, 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 was made a compulsory document in the conditions of model e-Procurement Documents for all works.

As per the provision of Integrity Pact and relevant guidelines of Central Vigilance Commission, an Independent External Monitor (IEM) has also been appointed to receive any complaints from the bidder and submit the investigation report.

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

RELATED PARTY TRANSACTIONS

The "Disclosure of Related Party Transactions" in Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014, is at page no. 157. Further, the disclosure in terms of regulation 53(f) of the SEBI (LODR) Regulations 2015 forms part of the financial statements.

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, 2020, and of the profit of the Company for the financial year 2019-20;
- 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 REPORT

The "Business Responsibility Report" in compliance with the provisions of regulation 34 of SEBI (LODR) Regulations 2015, in the format prescribed under SEBI Circular no. CIR/CFD/CMD/10/2015 dated November 4, 2015, is placed at page no. 81. The report is mandated for the top 500 listed companies based on market capitalisation and describes the initiatives taken by IRCON from an environmental, social and governance perspective.

P. MOU RATING / AWARDS

In terms of the DPE guidelines, every year an Memorandum of Understanding (MOU) is entered between Ministry of Railways and IRCON on selected parameters having targets normally decided before the start of new financial year and results evaluated after the end of the year to measure the performance of the Company. Based on the MOU parameters and performance for the year 2018-19, the Company has been rated as 'Excellent'. The MOU performance for the year 2019-20 is under evaluation.

The Company has received the following awards during the year 2019-20:

S. NO.	DATE OF RECEIPT OF AWARD	NAME OF THE AWARD	CATEGORY / PROJECT
1	24.04.2019	7th FICCI Quality Systems Excellence Award for Industry	Certificate of appreciation for Good practices in Quality Systems
2	25.10.2019	16th ICMAI National Awards for Excellence in Cost Management	Infrastructure and Construction Services (First position)
3	20.12.2019	ET NOW: Stars of the Industry Award	Talent Leadership Award - For Excellence in HR
4	06.01.2020	Golden Peacock Award	Risk Management
5	16.02.2020	ET NOW: World HRD Congress Award	National Best Employer Brand
6	19.02.2020	7th PSU Governance Now Award	Increasing Geo-Strategic Reach
7	04.03.2020	Golden Peacock Award	Corporate Social Responsibility
8	29.06.2019	SKOCH Order of Merit	Shivpuri-Guna Highway Project
9	29.06.2019	SKOCH Order of Merit	Mechanisation of Track Laying Process through Automatic NTC Machine
10	29.06.2019	SKOCH Order of Merit	Capacity Building & Training (HRM)

Further, the following awards were presented to the Chairman & Managing Director, IRCON:

S. NO.	DATE OF RECEIPT OF AWARD	NAME OF THE AWARD	CATEGORY
1	30.04.2019	Institute of Economic Studies (IES) Award, Sri Lanka	Outstanding Global Leadership
2	20.12.2019	ET NOW: Stars of the Industry Award	CEO with HR orientation
3	16.02.2020	ET NOW: World HRD Congress Award	Business Leader of the Year
4	19.02.2020	7th PSU Governance Now Award	PSU Leadership

Q. AUDITORS

STATUTORY AUDITORS

The Auditors of the Company appointed by the Comptroller & Auditor General of India for the financial year 2019-20 are:

STATUTORY AUDITOR:

K.G. Somani & Co. For the Company as a whole

BRANCH AUDITORS FOR PROJECTS IN INDIA:

K S Bothra & Co., Kolkata	All projects under Eastern Region
Prasad Azad & Co., New Delhi	All projects under Northern Region
Gupta Gupta & Associates, Srinagar	All projects under Jammu & Kashmir Region
KDS & Co., Mumbai	All projects under Mumbai Region
Todi Tulsyan & Co., Patna	All projects under Patna Region

BOARD'S REPORT

BRANCH AUDITORS FOR INTERNATIONAL PROJECTS

M/s Kerbal Ahmane	Algeria Project
M/s Jaysinghe & Co.	Sri Lanka Project
M/s Toha Khan Zaman & Co.	Bangladesh Project

* The completed foreign projects at Mozambique, Afghanistan, Ethiopia, South Africa, Malaysia and Bhutan were audited by the Statutory Auditor at the Corporate Office.

COST AUDITORS

The Board of Directors has appointed M/s R.M. Bansal & Co., Cost Accountants, as Cost Auditor of the Company for the FY 2019-20 for conducting the audit of cost records maintained by the Company as per the applicable Rules / Guidance Note, etc.

SECRETARIAL AUDITORS

In pursuant to the provisions of section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (LODR) Regulations, 2015, the Board of Directors has appointed M/s Kumar Naresh Sinha & Associates, Practising Company Secretary as Secretarial Auditor for conducting Secretarial Audit of the Company for the FY 2019-20.

INTERNAL AUDITORS

The Board of Directors have appointed following Internal Auditors for FY 2019-20:

INTERNAL AUDITORS FOR INDIAN PROJECTS

M/s Ravi Rajan & Co., Chartered Accountants	Corporate Office
M/s SPMR & Associates, Chartered Accountants	Northern Region
M/s Keshri & Associates, Chartered Accountants	Eastern Region
M/s Dinesh K Yadav & Associates, Chartered Accountants	Patna Region
M/s MKPS & Associates, Chartered Accountants	Mumbai Region
M/s Hem Sandeep & Co., Chartered Accountants	J&K Region

For International Projects, employees of the Company are appointed to do the Internal Audit.

R. OTHER DISCLOSURES

EXTRACT OF ANNUAL RETURN

The Extracts of Annual Return of the Company for the year 2019-20 in Form MGT-9, pursuant to section 134(3) (a) of the Companies Act, 2013 read with section 92(3) of the Company is placed at page no. 146. Annual Return of the Company for the year 2019-20 in Form MGT-7 under section 92 of the Companies Act, 2013 shall be available under the Investors' section on the website of the Company.

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 the its subsidiary and joint venture companies during the year 2019-20 forms part of the notes to the standalone financial statements provided in the Annual Report.

DEPOSITS

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

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 this is also disclosed in the Corporate Governance report. Further, details of Demat Suspense Account/Unclaimed Suspense Account/ Unclaimed dividend is not applicable and has been disclosed in the Corporate Governance report.

SECRETARIAL STANDARDS

During the 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 passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the FY 2019-20.

CHANGE IN THE NATURE OF BUSINESS

There was no material change in the nature of business of the Company during the FY 2019-20.

SECRETARIAL AUDIT REPORT

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 is at page no. 163.

QUALIFICATION, RESERVATION OR ADVERSE REMARKS IN THE SECRETARIAL AUDITOR REPORT

The Management Response on the qualification in the Secretarial Auditor Report and compliance of conditions of Corporate Governance for the year 2019-20 is placed at page no. 166.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of Listing Regulations and the guidelines on "Capital Restructuring of Central Public Enterprises" issued by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy. The said Policy is annexed to this report (at page no. 167) and is also available on Company's website www.ircon.org.

STATUTORY AUDITORS' REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for FY 2019-20 (both on standalone and consolidated financial statements) are attached separately as part of the Annual Report. Comments of Comptroller & Auditor General (C&AG) of India on the Audited Financial Statements of your Company for the FY 2019-20 are yet to be received.

S. ACKNOWLEDGEMENT

The Directors of the Company would like to express their appreciation and thanks for the assistance and co-operation received from to the Ministries of Railways, Road Transport and Highways, External Affairs, Finance, Commerce, Urban Development, and other ministries, departments and agencies, the office of Comptroller & Auditor General, Reserve Bank of India, Statutory, Branch, Secretarial & Internal Auditors, Bankers of the Company, Indian Embassies & Missions abroad and Foreign Missions & Embassies in India, EXIM Bank, Export Credit and Guarantee Corporation; Protector of Immigration; Passport Authority; and our esteemed clients both in India and abroad without whose active support the achievements of the Company during the year under review would not have been possible.

We place on record our sincere appreciation for all the employees of the Company at all levels for their untiring efforts, dedication, and sincerity of purpose in improving the performance and profitability of the Company.

For and on behalf of the Board of Directors

Date: 31.08.2020
Place: New Delhi

Sd/-
(S.K. Chaudhary)
Chairman & Managing Director
(DIN: 00515672)

BOARD'S REPORT

APPENDIX-A

ON-GOING MAJOR PROJECTS IN INDIA

SL. NO.	CATEGORY	NAME OF PROJECT	REVISED CONTRACT VALUE (₹ IN CRORE)
1.	Railway	Katra-Qazigund section (IRCON's portion), Udampur Srinagar Baramulla Rail Link Project, for Northern Railway	13,359
2.	Railway	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)	3,198
3.	Railway	Sivok-Rangpo New Rail Line project, for North Frontier Railway	4,085
4.	Railway	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). Construction of New BG Electrified Rail Line between Dharamjaigarh to Korba (Urga) for CERL (CERL-II).	1,855 1138
5.	Railway	Execution of rail connectivity projects identified by Bastar Railway Private Limited (BRPL).	1,466
6.	Railway	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)	2171
7.	Roads	Construction 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), for Ircon Vadodara Kim Expressway Limited (IrconVKEL).	1543
8.	Railway	Katni Grade Separator / By pass line (21.50 Km) Project, for West Central Railway.	1248
9.	Railway	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL)	1192
10.	Railway	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL).	1149
11.	Roads	Six-Laning of Davanagere-Haveri (from Km. 260+000 to Km. 338+923) of NH-48 in the State of Karnataka for Ircon Davangere Haveri Highway Limited (IrconDHHL) on Hybrid Annuity Project on DBOT Annuity under NHDP - Phase V - EPC Cost, for National Highways Authority of India (NHA).	1027
12.	Railway	Construction of rail link between Jayanagar (India) -Bijalpura (Nepal) (Gauge Conversion) with extension up to Bardibas on India-Nepal border, for East Central Railway.	819
13.	Railway	(i) Doubling projects for East Central Railway at:- (a) Hajipur - Bachwara (b) Kiul - Gaya (c) RDUM-TAL-RJO (Rampur Dumra - Tal - Rajendrapul Doubling including Ganga Bridge) (ii) Doubling projects for West Central Railway at Katni - Singrauli Doubling Project	679 (Hajipur-Bachwara); 1200 Kiul Gaya; 1491 (RDUM-TAL-RJO); 1763 (Katni-Singrauli)

SL. NO.	CATEGORY	NAME OF PROJECT	REVISED CONTRACT VALUE (₹ IN CRORE)
14.	Roads	Construction/Upgradation of Rural roads and bridges in 5 districts of Jharkhand - PMGSY Projects, for Ministry of Rural Development, Government of India and State Government of Jharkhand.	607
15.	Railway	Akhaura - Agartala Rail Link Project (Construction of Indian Portion), for North Frontier Railway	570
16.	Electrical	Mathura-Kasganj-Kalyanpur Railway Electrification Project with Signalling, for North Eastern Railway	433
17.	Electrical	RAPDRP – Part B Project under Jammu province (Cluster – I, Jammu left), (Cluster-II, Jammu Right), and (Cluster IV) (Akhnoor, Rajouri, Poonch, Udhampur, Doda, Kishtwar & Bhaderwah), for J&K Power Development Department.	420
18.	Railway	Development of circulating area at Santragachi and essential passenger amenities and road Connectivity to Kona Expressway, for South Eastern Railway	380
19.	Railway	Construction of Rail Link between Jogbani (Bihar)India to Biratnagar (Nepal), for North Frontier Railway	370
20.	Railway	Development of coaching terminal at Shalimar by provision of essential passenger amenities, for South Eastern Railway.	341
21.	Railway	Construction of Railway Siding for proposed 3.0 MTPA Integrated Steel Plant at Nagarnar Near Jagdalpur, Chhattisgarh for NMDC Limited: a) Package I - Execution of Civil & Railway Allied works b) Package-II - Execution of Civil, Signalling & Telecommunication, Mechanical and Structural works c) Package-IV - Construction of New Block Station, Staff Quarters and associated P-Way, OHE and S&T works.	283 (Package-I), 79 (Package-II) and 84 (Package-IV)
22.	Electrical	Railway Electrification work for Katni-Singrauli, for West Central Railway.	282
23.	Station Building	Re-development of Safdarjung Railway Station, for RLDA and Ministry of Railways.	262
24.	Institutional Building	Design, Drawing and Construction of External Development works & External Services at National Institute of Technology (NIT), Mizoram.	162
25.	Railway	Setting up of two electric loco sheds to home 200 three phase locos at Daund, (for Central Railway) and Bondamunda (for South Eastern Railway).	95 (Daund) 204 (Bondamunda)
26.	Railway	Visakhapatnam (Diesel Loco shed) – Augmentation of shed for homing 100 HHP locomotives, for East Coast Railway.	92
27.	Railway	Railway Tracks (In-plant) Package (Package No. 50) for 3.0 MTPA Integrated Steel Plant at Nagarnar, for NMDC Limited.	53
28.	Railway	Civil, Building & Track Works of Western Dedicated Freight Corridor Contract package CTP-11 JNPT – Vaitarana Section (IRCON share 60%), for Dedicated Freight Corridor Corporation of India Limited (DFCCIL).	43
29.	Railway	DPR & Detailed Engineering, Project Management and Construction of Railway Siding connecting MGR system of Dulanga mine-Darlipali STPP with Mahanadi Coal Limited's Siding, for Darlipali Super Thermal Power project, Stage-I (2x800 MW), for NTPC Limited	36
30.	Railway	DPR & Detailed Engineering Project Management and Construction of Coal Transportation System for Nabinagar Supper Thermal Power Project (3x660 MW) for Nabinagar Power Generating Co. Pvt. Ltd.	16

BOARD'S REPORT

APPENDIX - B

SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A. SUBSIDIARY COMPANIES:

1. IRCON INFRASTRUCTURE & SERVICES LIMITED (IrconISL)

IrconISL, a wholly owned subsidiary of IRCON, was incorporated on September 30, 2009 and obtained a Certificate of Commencement of Business on November 10, 2009. The main object of IrconISL is 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 immoveable 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 year 2019-20, IrconISL has secured two new Project Management Consultancy (PMC) projects viz. (i) PMC for development of handling facilities for Indian Farmers Fertiliser Cooperative Limited (IFFCO) at MMLP Paradip port Odisha awarded by Container Corporation of India Limited (CONCOR) (ii) PMC for development of seven Indian railway stations for Indian Railway Stations Development Corporation Limited (IRSDC) awarded to IrconISL (through IRCON). Also, IrconISL has entered into an agreement with Chhattisgarh East Railway Limited (CERL) for operation and maintenance of East Rail Corridor Phase-I Project Assets (Track bridges and other associated assets, OHE & ST) in Kharsia-Dhramjaygarh Section of CERL in South East Railway.

Along with the above new projects, the following existing projects are in various stages of construction, during the year 2019-20 viz.

- 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 seven (7) Land ports (ICPs) [i.e. 1.Attari- Punjab, 2.Agartala-Tripura, 3.Raxual-Bihar, 4.Jogbani-Bihar, 5.Petrapole-West Bengal, 6.Dawki-Meghalaya, 7.Moreh-Manipur] for Land Ports Authority of India (LPAI);

- iv. PMC for construction of Multi Modal Logistics Park (MMLP) at Kadakola, Mysuru District, Karnataka and Paradip (Orissa) for CONCOR;
- 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;
- vi. Consultancy project for Construction of Two-Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from km 0.00 to km 109.2 in Chin State of Myanmar;
- vii. PMC for construction of 69 Bridges in Tamu-Kyigone-Kalewa section of Trilateral Highway in Myanmar, wherein Ministry of External Affairs (MEA) has terminated the contract of M/s NCSL-MTDCL (JV) who was appointed as Engineering Procurement and Construction (EPC) contractor for construction of these 69 bridges. The Contractor has filed writ petition before Hon'ble High Court of Manipur and further course of action for tendering shall be taken after the Judgment by Hon'ble High Court of Manipur;
- viii. PMC for Setting up a Multi Model Logistics Park at Bhaupur, Kanpur (U.P) for CONCOR;
- ix. PMC for Setting up a Multi Model Logistics Park at Dahej, Gujarat for CONCOR;
- x. PMC for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at NTPC, Unchahar, U.P.;
- xi. PMC for Construction of Infrastructure works at NDRF Academy at Nagpur.

Out of 23 MFCs undertaken by IrconISL, which have been sub-leased to operators, 2 sub-lease agreements of MFC at Kannur and Mysore have been terminated due to non-payment of lease rent by sub-lessee. These sub-lessees have filed the petition against the termination in the respective state High Courts and cases are in final stage and pending for disposal.

2. IRCON PB TOLLWAY LIMITED (IrconPBTL)

IrconPBTL, a wholly owned subsidiary of IRCON, has been incorporated as a Special Purpose Vehicle on September 30, 2014, and has 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 lane 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, in accordance with the terms of the Concession Agreement signed with National Highways Authority of India (NHAI) on November 7, 2014. Total project cost is ₹844.08 Crores and EPC cost has been revised to ₹767.48 Crores.

The total length of road constructed is 159.17 km and in equivalent 2 lane is 210.22 km (Four laning: 51.05 km and two laning: 108.12 km). Out of 159.17 Km, the provisional certificate of completion for 156.650 Km [de-linking two Road Over Bridges (ROBs) at LC-06 (NAL) and LC-57(PHALODI)] has been issued by NHAH on February 15, 2019, for commencement of tolling operations at all three toll plazas located at Salasar and Nokhra in Bikaner District and Kheerwa in Jodhpur District, Rajasthan. The project has thereby entered into commercial operations and started earning toll income at all the three toll plazas. The ROBs at LC-06 and LC-57 were completed on March 12, 2019 and March 25, 2020, respectively. IrconPBTl has requested for inclusion of balance length in tolling which is under consideration with NHAH

Due to COVID-19 outbreak, the toll collection has been affected as the services were suspended from March 27, 2020 to April 19, 2020. The average revenue collection was reduced during the period April to May 2020. The average daily collection before lockdown was approx. ₹13.40 lacs but during the period June-July 2020 the average daily collection is approx. ₹12.90 lacs.

3. IRCON SHIVPURI GUNA TOLLWAY LIMITED (IrconSGTL)

IrconSGTL, a wholly owned subsidiary of IRCON was incorporated as a Special Purpose Vehicle on May 12, 2015 and has obtained the approval for commencement of business from the Registrar of Companies on May 27, 2015. The main objects 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 and other ancillary works relating thereto, in accordance with the terms of the Concession Agreement, signed with the NHAH on June 15, 2015. The concession period of the project is 20 years from the appointed date and the total project cost for execution of the Shivpuri Guna Project is ₹872.11 crore. The Project is being executed in two stages i.e. Stage I and Stage II.

In terms of the concession agreement, IrconSGTL attained financial close on November 23, 2015 i.e. date of execution of the loan agreement with IRCON for ₹722.11 crore. Other conditions set forth in the Concession Agreement as Conditions Precedent to Declaration of Appointed Date viz. signing of Escrow Agreement (between IrconSGTL, IRCON, Indian Overseas Bank, and NHAH) and Substitution Agreement (between NHAH, IrconSGTL, and IRCON) were completed on December 04, 2015.

NHAH had declared January 25, 2016 as the appointed date for commencement of construction, with construction period of 910 days, for which IRCON has been appointed as EPC contractor. The Commercial Date of Operations (COD) for Stage-1 of the project (i.e. 87.5Km length) was achieved one and a half month ahead of the schedule i.e. on June 6, 2018 (though scheduled on July 23, 2018). Thus, operation of toll plaza and collection of revenue has been started on the project w.e.f. June 7, 2018. Revenue collected from June 07, 2018 to March 31, 2019 is ₹72.88 crore.

Due to nation-wide lockdown to curb spread of COVID-19 and NHAH instruction, tolling was suspended from March 26, 2020 and the revenue at the toll plaza has reduced considerably. However, operation of tolling has been resumed from April 20, 2020.

As per the concession agreement with NHAH, construction for Stage-2 of the project (i.e.12.4 km length) is expected to start from January 1, 2021 and the appointment of EPC Contractor for Stage - 2 is under consideration.

4. IRCON DAVANAGERE HAVERI HIGHWAY LIMITED (IrconDHHL)

IrconDHHL, a wholly owned subsidiary of IRCON was incorporated on May 11, 2017 as a Special Purpose Vehicle (SPV) for executing the project works of "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 on Design, Build, Finance, Operate and Transfer (DBFOT) basis under NHDP Phase - V" in accordance with the terms of the Concession Agreement, signed with the National Highways Authority of India (NHAH) on June 19, 2017. The concession period of the project is 15 years excluding construction period of 912 days (30 months) commencing from the appointed date i.e. January 24, 2018 and the works are progressing on the available fronts. The Scheduled date of completion is 24.07.2020 which has been extended up to 24.10.2020 (by 3 months for the effect of COVID-19). The scope of work comprises of six-laning of 78.923 Km (total length of Highway) of existing four lane main carriage way with construction of 154.654 Km of service road length including major bridges culverts, Vehicular underpasses, pedestrian underpasses, flyovers and other allied works.

In terms of concession agreement, the total project bid cost is ₹1177 crore plus escalation and First Year O&M cost is ₹10 crore. 40% of the project bid cost shall be reimbursed by NHAH

BOARD'S REPORT

during construction period in 5 instalments of 8% each (on achieving Physical Progress of 10%, 30%, 50%, 75% & 90%) and balance 60% construction cost shall be arranged by the SPV. After considering reimbursement of 40% of Project bid cost, the balance construction cost of ₹720.05 Crore (including interest during construction), proposed to be funded by Equity and Loan Investment of ₹217.05 Crore and ₹503 Crore respectively.

The Client has failed to hand over 100% encumbrance free land within 180 days from the appointed date as per the terms of agreement. The scope available as on 181st day was to the tune of 74% only. In spite of the same, the Project has achieved 2nd Project Milestone of 30% Physical Progress and 35% Financial progress within the stipulated time period (within cure period of 90 days) and the 3rd Project Milestone with 75% Physical progress and 70% Financial progress was due for achievement on or before February 3, 2020 (including cure period of 90 days). It could not be achieved since the scope available as on 31.01.2020 was 81.39% only (by excluding the scope of works on the land not made available by the NHAI and works stopped by locals demanding additional structures and modification to the existing / under construction structures – 18.61%). The physical progress achieved at site as on 31st January 2020 is 62.83 % against total scope covered in the Concession Agreement and it is 77.19% (62.83/0.8139) when worked out from the scope of work available to the Concessionaire. The Financial Progress as on 31.01.2020 was 61.74% and it is 75.86% (61.74/0.8139) for the scope of work available to the SPV. The equated Physical & Financial progress as on 31.01.2020 meets the requirements for 3rd project milestone within cure period.

As on March 31, 2020, the total physical progress of 66.77% and financial progress of 65.37% is achieved against total scope covered in the Concession Agreement. The scope available to SPV by NHAI was 81.39% only. Request is being made for descoping / delinking the works affected due to non-availability of land and due to stoppage of works by the locals as on March, 31 2020.

5. IRCON VADODARA KIM EXPRESSWAY LIMITED (IrconVKEL)

IrconVKEL, a wholly-owned subsidiary of IRCON was incorporated as a Special Purpose Vehicle on May 16, 2018, pursuant to conditions of award of Vadodara Kim Expressway Project in the State of Gujarat by NHAI. The main object of IrconVKEL is 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 Hybrid Annuity Mode (Phase IA- Package II) on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

IrconVKEL has entered into concession agreement with NHAI on May 25, 2018. The Financial closure has been achieved on September 25, 2018. Appointed date fixed by NHAI is January 31, 2019. Completion period is 730 days from appointed date. The mobilization advance is received from NHAI on April 25, 2019 (1st instalment) and June 29, 2019 (2nd instalment). The total project cost is ₹1865 crore. The first project milestone was achieved on September 27, 2019 and the second project milestone was achieved on January 25, 2020.

The Land availability of the project as on date is 98.75% of the total length of expressway. Before the onset of COVID-19, the Physical Progress achieved (as on March 22, 2020) is 43.40% and after lifting of lockdown (as on June, 25, 2020) is 44.81%. Actual date of completion is January 30, 2021. The appointed date fixed by NHAI is January 31, 2019 and completion period is 730 days from appointed date. However, due to COVID-19, the completion period is likely to be extended.

B. JOINT VENTURE COMPANIES (JVCS):

6. IRCON-SOMA TOLLWAY PRIVATE LIMITED (ISTPL)

A joint venture company called 'Ircon-Soma Tollway Private Limited' (ISTPL) was incorporated on April 19, 2005. ISTPL is JV with 50% equity participation by both IRCON and Soma Tollways Private Limited (STPL) (a construction company in private sector) (out of total shares in ISTPL 6,38,69,999 shares are held by STPL and 1 share held by Soma Enterprises Limited, holding company of STPL), for executing BOT project for four laning of Pimpalgaon-Dhule section of NH-3 from km 380 to km 265 in Maharashtra for NHAI.

The BOT project for four laning of Pimpalgaon-Dhule section got completed in 2010-11 and accordingly ISTPL is earning toll on the entire stretch of 118.158 km.

7. INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED (IRSDC)

IRSDC, a joint venture company of Rail Land Development Authority (RLDA) and IRCON, was established on April 12, 2012 and obtained 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. IRSDC is also empowered to undertake the commercial development of land/ air space of Railway land entrusted to it.

After close of the financial year, RITES Limited (RITES) was introduced as the third strategic partner/shareholder in IRSDC with 24% shareholding. Accordingly, the revised shareholder agreement was entered amongst the shareholders on May 21, 2020 and the shareholding pattern of RLDA, IRCON and RITES would now be revised to 50:26:24.

Union Cabinet on October 17, 2018 approved IRSDC as Nodal Agency for the entire station re-development program and as the main Project Development Agency (main PDA) including the only agency to take up standalone facility management of the stations where re-development is not envisaged in near future. As PDA, IRSDC has been permitted a lease period of up to 99 years with right to enter into multiple sub-leases and include all types of developments i.e. commercial, institutional and residential developments. Powers have also been given to IRSDC to approve its own plans under Section 11 of the Railway Act, 1989. Pursuant to the Cabinet decision, the Board of Directors of IRSDC has been strengthened by including one representative each from Department of Economic Affairs/ Ministry of Finance, NITI Aayog and Ministry of Railways (MoR).

Railway Board vide its letter dated November 01, 2018 have entrusted all the stations on Indian Railways (except 12 entrusted to other agencies) for Techno-economic feasibility studies.

The following works are under Progress:

- i. Habibganj Station Re-development Project: About 90% civil works have been completed. The project has suffered setback due to COVID-19 outbreak. However, it is expected that the re-developed station with better facilities and infrastructure will be completed by December 2020.
- ii. Gandhinagar station re-development and Construction of 318 (originally 300 rooms) rooms 5-star hotel at Gandhinagar: Almost 90% of civil works is completed and finishing, MEP works etc. are in progress presently. Project unique features include successful launching of 99m clear span truss across all tracks and platforms in the yard of which is the first of its kind in India. There has been a setback due to COVID 19 outbreak and all efforts are being made to complete the project by December 2020.
- iii. Integrated Facility Management: IRSDC has started a new vertical in the country by taking up 5 stations on Integrated Facility Management. In this model, Bangalore, Pune, Anand Vihar, Chandigarh and Secunderabad stations have been taken over for Integrated Facility Management. Reputed firms like Knight Frank (for Bangalore), BVG (Bharat Vikas Group) (for Pune) and UDR (Updater Services) (for Anand Vihar, Chandigarh and Secunderabad) have been engaged in the "management Contract" model prevalent in the hotel industry, which IRSDC has specially adapted for railway stations. IRSDC has successfully completed one-year operation and maintenance in March 2020, but due to COVID-19, challenges are being faced on revenue front as train operations have been stopped by MoR.
- iv. Works under Planning: IRSDC had called tenders for development of 3 stations viz. Chandigarh, Anand Vihar and Bijwasan on EPC mode. The same were accepted and Letter of Award was issued on October 30, 2019. In order to finance the same, loan has been sanctioned by Indian Railways Finance Corporation (IRFC), subject to certain conditions, for which negotiation is in process. Presently due to COVID 19 pandemic, Force Majeure clause of the EPC contract has been evoked by IRSDC and the contractors have been asked not to do any work at these three stations and simultaneously land monetisation tenders have been called on January 03, 2020. Pre-bid meetings with prospective bidders have also been done during this period. The land monetisation bids will be opened in FY 2020-21, once the market is favourable for real estate.
- v. To fast track the station development program, MoR has constituted a Group Secretaries (GOS) committee under the chairmanship of Chief Executive Officer, NITI AAYOG and consisting of Chairman of Railway Board, Financial Commissioner of Railway Board, Secretary of Department of Economic Affairs and Secretary of Ministry of Housing and Urban Affairs as the members. Member Engineering and Member Traffic, Railway Board are the co-opted members of the committee. The GOS has taken several landmark decisions such as User Charge concept, Holistic development of the stations and surrounding land parcels, revival of pending re-development of Chhatrapati Shivaji Maharaj Terminus station and finalisation of Model Concession Agreement for station development etc.
- vi. IRSDC has called Request for Quotation (RFQ) for Gwalior, Sabarmati, Amritsar, and Nagpur stations on Design, Build, Finance, Operate and Transfer

(DBFOT) model after in-principle approval of Public Private Partnership Appraisal Committee (PPPAC). PPPAC memo for Chhatrapati Shivaji Maharaj Terminus and Baiyappanhalli stations have been submitted to MoR. Further, in addition to these four stations IRSDC has taken up preparation of master plans for Udhna (in Surat for re-development along with Surat Multi Modal Transportation Hub), Thakurli (in Mumbai), Baiyappanhalli, and Chanakyapuri (in Delhi). IRSDC has awarded 45 stations to other CPSEs to act as Project Management Consultancy (PMC) agencies for finalization of plans, bid management and supervision of construction work.

8. CHHATTISGARH EAST RAILWAY LIMITED (CERL)

A joint venture company called 'Chhattisgarh East Railway Limited' (CERL) was incorporated on March 12, 2013, with equity participation by South Eastern Coalfields Limited, IRCON and Chhattisgarh State Industrial Development Corporation Limited (nominee of Government of Chhattisgarh) in the ratio of 64:26:10 respectively, for development of coal connectivity corridor i.e. East Corridor (length 180 Km) in the State of Chhattisgarh. CERL had obtained Certificate for Commencement of Business on May 07, 2013.

CERL has signed concession agreement on June 12, 2015 with Ministry of Railways, in the State of Chhattisgarh. The project is being implemented for Build, Own, Operate, and Transfer (BOOT) model for PPP projects. Chhattisgarh East Railway Corridor project is further divided into two phases viz. CERL-I (Kharsia to Dharmjaygarh including Spur Line from Gharghoda to Donga Mahua) and CERL-II (Dharmjaygarh to Korba).

The Financial Closure of CERL-I has been achieved on November 24, 2017. The section from Kharsia to Korichhapar (DN line – 44 km) of CERL-I has been commissioned on October 12, 2019. Doubling of this section is targeted for completion by March 2021. Similarly, Korichhapar to Dharmjaygarh (30 Km) is targeted for commissioning by December 2020.

A revised DPR with GST implications of CERL-II has been approved by Zonal Railways with inflated mileage of 60% on chargeable distance of 62 km for five years as approved by Ministry of Railways on June 12, 2018. Land demarcation, identification work and registration process for forest clearance has been completed. Financial closure will be achieved after forest clearance and signing of concession agreement.

9. CHHATTISGARH EAST-WEST RAILWAY LIMITED (CEWRL)

A joint venture company called 'Chhattisgarh East-West Railway Limited' (CEWRL) was incorporated on March 25, 2013, with equity participation by South Eastern Coalfields Limited (SECL), IRCON and Chhattisgarh State Industrial Development Corporation Limited (nominee of Government of Chhattisgarh) in the ratio of 64:26:10 respectively, for 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 3 years and 6 months of construction period.

Detailed Project Report (DPR) was approved by Zonal Railways 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 has been entered between CEWRL and Ministry of Railways on July 01, 2018. Loan Agreement signed in July 2020, with consortium of bank lead by State Bank of India (SBI).

10. MAHANADI COAL RAILWAY LIMITED (MCRL)

A joint venture company called 'Mahanadi Coal Railway Limited' (MCRL) was incorporated on August 31, 2015, with equity participation by Mahanadi Coalfields Limited (MCL), IRCON and Odisha Industrial Infrastructure Development Corporation (nominee of Govt. of Odisha) in the ratio of 64:26:10 respectively, with the main object 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. Angul-Balram-Putagadia- Jharpada –Tentuloi new rail corridor (68Km) has been identified by the Company for implementation. 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 12, 2018. The project has been approved as special Railway project by the Ministry of Railways on October 23, 2018. The Concession Agreement is likely to be entered between MCRL and Ministry of Railways shortly and Financial closure of the project is expected soon.

The previously acquired land by MCL for Angul-Balaram section (14Km) is in process for transfer to East Coast Railway in accordance of Railway Amendment Act, 2008. The permission for the same has already been given by State Government on May 16, 2020. The land acquisition and diversion of forest land of remaining section is in process. The construction work is going on the Angul- Balaram section of the project and likely to be commissioned by December 2020.

11. JHARKHAND CENTRAL RAILWAY LIMITED (JCRL)

A joint venture company called 'Jharkhand Central Railway Limited' (JCRL) was incorporated on August 31, 2015 with equity participation of Central Coalfields Limited, IRCON and Government of Jharkhand in the ratio of 64:26:10 respectively, with the main object 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 Shivpur-Kathautia New Line Project to the joint venture JCRL. Chainage started from Kathautia (0.00) to Shivpur (49.085) a total stretch of 49.085 Km. Detail Project Report (DPR) has been approved by Ministry of Railways (MoR). An inflated mileage of 60% on chargeable distance of 49.085 km has been approved by the MoR for a period of 5 years from June 13, 2018. Concession Agreement with JCRL & East Central Railway has been signed on December 4, 2018, financial closure is expected to be completed before August 2020. The construction of project

is expected to start by November 2020 (subject to availability of forest land and financial closure of JCRL). Stage-I clearance of forest land has been received in June 2019. JCRL has made 69% of compensation of present total estimated value of land to Raiyats in two Districts.

12. BASTAR RAILWAY PRIVATE LIMITED (BRPL)

A joint venture company called 'Bastar Railway Private Limited' (BRPL) was incorporated on May 05, 2016. BRPL is a joint venture with equity participation 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 52:26:12:10 respectively, with the main object to build, construct, operate and maintain Rowghat to Jagdalpur (via Narayanpur, Kondagaon) new railway line, in the State of Chhattisgarh. Shareholders Agreement for BRPL has been entered on January 20, 2016 and revised shareholders agreement on May 25, 2018 wherein the shareholding pattern of NMDC, IRCON, SAIL and CMDC was revised.

IRCON is the implementation agency for the project and project execution agreement was signed on July 19, 2017. Detailed Project Report (DPR) has been approved by the Ministry of Railways with 50% inflated mileage. Acquisition of land including forest land is in progress.

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 AOC-1 annexed to the Financial Statements.

CORPORATE GOVERNANCE REPORT

This report is prepared in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Companies Act, 2013 and Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. The Report contains details of Corporate Governance systems and processes at Ircon International Limited (IRCON).

IRCON a 'Mini Ratna Category 1' company, got listed on 28th September 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 discharge 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

The Corporate Governance in IRCON is based upon transparency, full disclosure, independent monitoring & fairness to all. The Company conducts its activities ethically and responsibly towards sustainable value creation for stakeholders within the prevalent regulatory framework. It has always believed in creating a framework of best policies, practices, structures and ethics in the organisation. IRCON Team subscribes to the corporate values and imbibes them in their conduct regularly.

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. Corporate Governance has indeed been an integral part of the way we have done business for several years. This emanates from our firm belief that sound governance is an integral for creating value on a sustainable basis.

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:

- a. Constructive approach
- b. Working as a team
- c. Excellence in performance

- d. Probity in work and dealings
- e. 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 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 89.18% of the paid-up share capital of the Company is held by the Central Government 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).

As on 31st March 2020, the Company has eleven directors of which four are whole-time directors [Chairman & Managing Director, Director (Finance), Director (Projects) and Director (Works)], two are Government Nominee Directors, and five are Independent Directors including one-Woman Director.

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 Ministry of Railways to appoint a requisite number of independent directors on the Board.

However, there is a vacancy in the post of one Independent Director w.e.f. 28th December 2018 for which appointment request has already been made to the Ministry of Railways, Government of India. However, after 31st March 2020, subsequent to cessation of two Independent Directors on completion of their tenure and super annuation of one Government Nominee Director, there are additional vacancies in the post of two Independent Directors (including women Director).

2.1 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 Ministry of Railways is given below. The names of directors having the requisite skills/expertise/competence as on 31st March 2020 are also included in the table:

SN.	CATEGORY & NAME OF THE DIRECTOR	REQUIRED EXPERTISE/SKILL
1.	Whole-Time Directors	
i)	Chairman & Managing Director: Shri Sunil Kumar Chaudhary	<p>Mandatory: 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.</p> <p>Desirable: 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's industry.</p>
ii)	Director (Projects): Shri Shyam Lal Gupta	<p>Mandatory: 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.</p> <p>Desirable: Preferably holding MBA/Technical qualifications.</p>
iii)	Director (Works): Shri Yogesh Kumar Misra	<p>Mandatory: 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.</p> <p>Desirable: Preferably holding MBA/Technical qualifications.</p>
iv)	Director (Finance): Shri Mukesh Kumar Singh	<p>Mandatory:</p> <ul style="list-style-type: none"> (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). <p>Adequate experience at a senior level in Corporate Financial Management and Accounts, including cost, budgetary control, institutional finance, working capital management.</p>
2.	Government Nominee (Part-Time Official): » Shri Piyush Agarwal » Shri Hari Mohan Gupta	As may be decided by the Government of India (Ministry of Railways)
3.	Independent Directors (Part-Time Non-Official): » Dr. C. B. Venkataramana » Shri Ashok Kumar Ganju » Dr. Narinder Singh Raina » Shri Avineesh Matta » Prof. (Ms.) Vasudha Vasant Kamat	As may be decided by the Government of India (Ministry of Railways)

Expertise and Skills of the Government Nominee and Independent Directors are available on the website of the Company i.e www.ircon.org.

CORPORATE GOVERNANCE REPORT

2.2 BOARD COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31ST MARCH 2020

SR. NO.	NAME OF DIRECTORS & DIN	NO. OF DIRECTORSHIPS IN OTHER COMPANIES	NO. OF BOARD COMMITTEE(S) OF WHICH HE/SHE IS A MEMBER/CHAIRPERSON*
Whole-time / Functional (Executive Directors)			
1	Shri S. K. Chaudhary Chairman & Managing Director (DIN: 00515672)	PhD Chamber of Commerce and Industry	Nil
2	Shri Mukesh Kumar Singh Director (Finance) (DIN: 06607392)	1. Indian Railway Stations Development Corporation Limited (IRSDC) 2. Ircon Infrastructure & Service Limited 3. Chhattisgarh East Railway Limited 4. Chhattisgarh East-West Railway Limited 5. Mahanadi Coal Railway Limited 6. Jharkhand Central Railway Limited 7. Bastar Railway Private Limited 8. Ircon-Soma Tollway Private Limited	Audit Committee: IRSDC (Member)
3	Shri Shyam Lal Gupta Director (Projects) (DIN: 07598920) (w.e.f. 01.11.2019)	1. Chhattisgarh East Railway Limited 2. Chhattisgarh East-West Railway Limited 3. Mahanadi Coal Railway Limited 4. Ircon PB Tollway Limited 5. Bastar Railway Private Limited 6. Ircon Shivpuri Guna Tollway Limited 7. Ircon Davanagere Haveri Highway Limited 8. Ircon Vadodara Kim Expressway Limited	Nil
4	Shri Yogesh Kumar Misra Director (Works) (DIN: 07654014)	Jharkhand Central Railway Limited	Nil
Government Nominee Directors / Part-time Official (Non-Executive)			
5	Shri Piyush Agarwal@ (DIN: 08305385) (upto 31.03.2020)	1. Mumbai Rail Vikas Corporation Limited (MRVC) 2. National Capital Region Transport Corporation 3. Container Corporation of India Limited (CCIL)	Audit Committee: MRVC (Member)
6	Shri Hari Mohan Gupta@ (DIN: 08453476) (w.e.f. 15.05.2019)	1. Rail Vikas Nigam Limited (RVNL) 2. Pipavav Railway Corporation Limited	Nil
Independent Directors / Part-time Non-Official (Non-Executive)			
7	Shri Avineesh Matta (DIN: 00011749) (w.e.f. 15.07.2019 upto 31.03.2020)	1. Explico Consulting Private Limited 2. InQuant Consulting Private Limited 3. PIC Consultants Private Limited 4. International Business Valuers Association	Nil
8	Prof. (Ms.) Vasudha Vasant Kamat (DIN: 07500096) (w.e.f. 15.07.2019 upto 31.03.2020)	Nil	Nil
9	Dr. C. B. Venkataramana (DIN: 03179171)	Nil	Nil
10	Dr. Narinder Singh Raina (DIN: 07968391)	Nil	Nil
11	Shri Ashok Kumar Ganju (DIN: 07014589)	Nil	Nil

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 in other listed entities, except, Shri Piyush Agarwal and Shri Hari Mohan Gupta in CCIL and RVNL respectively as the Government Nominee Directors.

None of the Directors on the Board hold directorships, including alternate directorships at the same time in more than twenty (20) Companies.

None of the Director holds directorship in more than seven (7) listed entity. 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. Two Nominee directors (part-time official) who are officials from the Ministry of Railways, and thus related to the promoter, though no personal relationship exists between them.

No Non-Executive Director hold any share of the Company; three Executive Directors viz. Shri Mukesh Kumar Singh, Director (Finance), Shri Yogesh Kumar Misra, Director (Works) and Shri Shyam Lal Gupta, Director (Projects) hold 170 equity shares, 300 equity shares and 559 equity shares respectively as on 31st March 2020.

2.3 BOARD MEETINGS AND AGM HELD DURING FY2019-20

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

15th May 2019, 28th May 2019, 12th July 2019, 8th August 2019, 16th October 2019, 24th October 2019, 13th November 2019, 17th December 2019, and 11th February 2020. None of the Board Meeting was held with a gap of more than 120 days.

DATE OF THE MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
15 th May 2019	8	5
28 th May 2019	9	6
12 th July 2019	9	8
8 th August 2019	11	8
16 th October 2019	11	9
24 th October 2019	11	8
13 th November 2019	11	8
17 th December 2019	11	9
11 th February 2020	11	8

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

NAME AND DESIGNATION OF THE DIRECTOR	NO. OF BOARD MEETINGS		ATTENDANCE AT THE LAST ANNUAL GENERAL MEETING (HELD ON 03.09.2019)
	HELD DURING THEIR RESPECTIVE TENURE	ATTENDED	

Whole-time, Functional Directors (Executive)

Shri S. K. Chaudhary Chairman & Managing Director	9	9	Yes
Shri Deepak Sabhlok Director (Projects) (up to 31.10.2019)#	6	5	Yes
Shri Mukesh Kumar Singh Director (Finance)	9	8	Yes
Shri Yogesh Kumar Misra Director (Works)	9	9	Yes
Shri Shyam Lal Gupta Director (Projects) (w.e.f. 01.11.2019)	3	3	*

NAME AND DESIGNATION OF THE DIRECTOR	NO. OF BOARD MEETINGS		ATTENDANCE AT THE LAST ANNUAL GENERAL MEETING (HELD ON 03.09.2019)
	HELD DURING THEIR RESPECTIVE TENURE	ATTENDED	

Government Nominee Directors (Part-Time Official) (Non- Executive)

Shri Hari Mohan Gupta (w.e.f. 15.05.2019)	8	1	Yes
Shri Piyush Agarwal (up to 31.03.2020) #	9	4	Yes
Shri Sukhmal Chand Jain (up to 08.05.2019) #	0	0	*

Independent Directors (Part-Time Non-Official) (Non- Executive)

Dr. C. B. Venkataramana	9	9	Yes
Dr. Narinder Singh Raina	9	1	No
Shri Ashok Kumar Ganju	9	8	Yes
Shri Avineesh Matta [§] (w.e.f. 15.07.2019 upto 31.03.2020)	6	6	Yes
Prof. (Ms.) Vasudha Vasant Kamat [§] (w.e.f. 15.07.2019 upto 31.03.2020)	6	6	Yes

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

#Upon attaining the age of superannuation, Shri Deepak Sabhlok, Director (Projects) and Shri Piyush Agarwal, Government Nominee Director ceased to be Directors of IRCON w.e.f. 31.10.2019 and 31.03.2020, respectively. Further, Shri Sukhmal Chand Jain, Government Nominee Director ceased to be Director w.e.f.08.05.2019.

§Shri Avineesh Matta and Prof. (Ms.) Vasudha Vasant Kamat were re-appointed as Independent Directors vide order of Ministry of Railways w.e.f. 15.07.2019, who ceased to be Independent Directors on completion of their tenure w.e.f. 31.03.2020.

CORPORATE GOVERNANCE REPORT

2.4 INFORMATION TO BE PLACED BEFORE THE BOARD OF DIRECTORS, INTER ALIA, INCLUDES:

The quantum and quality of information supplied by the Management to the Board goes well beyond the requirement stipulated in the SEBI (LODR) Regulations, 2015 as amended from time to time. The information being provided to the Board inter-alia includes the following:

- a) Quarterly/Half-yearly and Annual Financial Results of the Company.
- b) Minutes of the Audit Committee meetings, Board meetings and other committee meetings.
- c) Minutes of the Board meetings of the Subsidiary Companies.
- d) Capital and Revenue Budgets, along with any changes.
- e) Particulars of Related Party Transactions.
- f) Writing off of Bad Debts.
- g) Sale of material nature of investments, subsidiaries, assets.
- h) Information regarding major investments, incorporation of new subsidiaries and Joint Ventures, and Strategic Alliances.
- i) Any changes in significant accounting policies.
- j) Compliance of various laws by the Company.
- k) Major orders secured and bids lost.
- l) Disclosure of interests made by directors to the Company.
- m) Action Taken Report on the previous decisions made by the Board.
- n) Compliance/ Reports submitted with Stock Exchanges under SEBI (LODR) Regulations, 2015.
- o) All other information required to be presented to the Board for information, approval and review.

2.5 NEW DIRECTORS WHO HAVE BEEN APPOINTED/RE-APPOINTED DURING FY2019-20:

a. Shri Shyam Lal Gupta [DIN: 07598920]

Shri Shyam Lal Gupta, aged 57 years, has been appointed on the Board of IRCON as Director (Projects). Shri Gupta holds a Bachelor's degree in civil engineering from the University of Roorkee and has completed his Executive Master of Science in Project Management from School of Professional and Executive Education (SPEED), Asia University. He is experienced in the infrastructure sector and has worked in different capacities in Indian Railways for 26 years. He was deputed in IRCON by Indian Railways Service of Engineers as a General Manager in November 2006 and thereafter was permanently absorbed in IRCON w.e.f. 17th August 2011. He was Executive Director (General) in IRCON before being appointed as Director (Projects). Under his supervision, many projects were completed within the scheduled time in Sri Lanka. He is currently in charge of railway projects in Odisha, Chhattisgarh, Maharashtra, Gujarat and Sri Lanka.

b. Shri Hari Mohan Gupta [DIN 08453476]:

Shri Hari Mohan Gupta, aged 54 years, has been appointed on the Board of IRCON as Government Nominee [Part-Time (Official)] Director. Shri Gupta is graduated in Civil Engineering from the University of Roorkee in 1989. He has vast experience of track maintenance, track machine operation, store tendering system besides general administration and human resource management. He has been posted as Executive Director (Works), Railway Board. Before the present assignment, he was on deputation to Dedicated Freight Corridor Corporation of India Limited (DFCCIL) as a Chief Project Manager, Noida responsible for Rewari, Dadri, Detour sections of Western Freight Corridor. He was involved right from the stage of land acquisition until the massive construction of the project.

c. Shri Avineesh Matta [DIN 00011749]:

Shri Avineesh Matta aged 60 years, has been re-appointed on the Board of IRCON as Independent [Part-Time (Non-Official)] Director w.e.f. 15th July 2019. Shri Matta holds a bachelor's degree in commerce (honours) from Shri Ram College of Commerce and a bachelor's degree in law from the University of Delhi. He also holds an advanced diploma in management from IGNOU. He is a fellow member of the Institute of Chartered Accountants of India (ICAI) and has completed courses in Information Systems Audit and Valuation from ICAI. He is registered as an Insolvency Professional with the Insolvency and Bankruptcy Board of India. He is the founding partner of M/s AVA & Associates, Chartered Accountants with more than three decades of professional exposure in audit & assurance; taxation; business, strategic & legal consulting and foreign exchange issues. He serviced during this period, to multifarious industries and business segments including Highways & Infrastructural Development, Educational, Environmental and Social Sector besides bilateral International Aid Institutions. Empanelled with Quality Review Board set up by Government of India as a Technical Reviewer and with Financial Reporting Review Board of Institute of Chartered Accountants of India, he reviewed audit processes and financial statements of listed companies. Currently, he is also a member of Expert Advisory Board of Institute of Company Secretaries of India.

d. Prof. (Ms.) Vasudha Vasant Kamat [DIN: 07500096]

Prof. (Ms.) Vasudha Vasant Kamat, aged 67 years, has been re-appointed on the Board of IRCON as Independent [Part-Time (Non-Official)] Director. Prof. Kamat holds a Bachelor's degree in science (chemistry) from the University of Poona and a Master's degree in arts (sociology) from ShreematiNathiBaiDamodar Thackeray (SNDT) Women's University, Bombay. She also holds a Bachelor's degree and a Master's degree in education from the University of Bombay.

Additionally, she holds a Doctoral degree in philosophy (arts) from the University of Bombay. She is experienced in the education sector and is associated with various foreign universities for the fellowship programmes and in the capacity of visiting scholar. In the past, she has held the post of joint director at the Central Institute of Educational Technology, a constituent unit of National Council of Educational Research and Training and Vice-Chancellor of SNTD Women's University thereby retiring from the post in 2016. She is also a part of the committee constituted for preparation of the draft national education policy.

Detailed profile of all the existing Directors can be viewed on the website at www.ircon.org

2.6 DETAILS OF REASONS FOR THE RESIGNATION OF INDEPENDENT DIRECTORS, IF ANY:

During FY2019-20, none of the Independent Directors resigned or vacated their office before the expiry of their tenure.

2.7 BOARD INDEPENDENCE

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) Regulations, 2015 as amended from time to time which has been taken on record by the Board at their meeting.

2.8 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 on Corporate Governance and CSR & Sustainability, 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) Regulations, 2015, 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' at weblink: <https://www.ircon.org/images/Details%20of%20Familiarisation%20Programme%20to%20Ircon's%20Directors.pdf>

3. BOARD COMMITTEES

In compliance with requirements under Regulation 17 of the SEBI (LODR) Regulations, 2015, Companies Act, 2013, DPE Corporate Governance Guidelines and other requirements, the Board of Directors has constituted the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility & Sustainability Committee
- Risk Management Committee
- Project Progress Review Committee (PRC)
- Independent Directors Committee

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these Committees, determines the frequency of the meetings of these 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) Regulations, 2015 and Chapter 4 of the DPE Corporate Governance Guidelines, 2010 as amended from time to time.

During FY2019-20, nine meetings of Audit Committee were held on 15th May 2019, 28th May 2019, 12th July 2019, 8th August 2019, 27th September 2019, 16th October 2019, 13th November 2019 (adjourned on 14th November 2019), 17th December 2019 and 7th February 2020 (continued on 11th February 2020).

The composition of the Committee, number of meetings held and attendance details for the FY2019-20 are given below:

MEMBER OF THE COMMITTEE	DESIGNATION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Dr. C. B. Venkataramana Independent Director	Chairman	9	9
Shri Ashok Kumar Ganju Independent Director	Member	9	9
Shri Yogesh Kumar Misra Director (Works)	Member	9	9

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

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2. TERMS OF REFERENCE

The terms of reference of the Audit Committee specified by the Board are in conformity with the requirements of Regulation 18 and 24(2) of SEBI (LODR) Regulations, 2015 and Regulation 9A (4) of SEBI (Prohibition of Insider Trading) Regulations, 2015, Section 177 of the Companies Act, 2013, Chapter 4 of the DPE Corporate Governance Guidelines, 2010 as amended from time to time. The terms of reference are as follows:

A. Financial Statements:

1. 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.
2. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. 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;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications / modified opinion(s) in the draft audit report, if any;
 - viii. Reviewing Management Discussion and Analysis of financial condition and results of operations;
3. Reviewing, with the management, the quarterly financial results and Auditors Report thereon before submission to the Board for approval.
4. 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 Regulation 32(1)

and (7) of SEBI (LODR), Regulations, 2015 and making appropriate recommendations to the Board to take up steps in this matter.

B. Auditor and Internal Control:

5. Recommendation to the Board for fixation of remuneration of auditors of the Company;
6. Approval of payment to statutory auditors for any other services rendered by them;
7. Reviewing the appointment, removal and terms of remuneration of the internal auditor;
8. 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;
9. 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.
10. 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.
11. 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.
12. Discussion with internal auditors of any significant findings and follow-up thereon.
13. Evaluation of internal financial controls and risk management systems.
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 Rs100 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 whistleblower mechanism and to protect whistleblowers
23. Reviewing, after the close of the financial year, the compliance with respect to the provisions of SEBI PIT Regulations 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, or DPE Guidelines, or SEBI (LODR) Regulations, 2015, or any other SEBI Rules and Regulations, from time to time.

The composition of the Committee, meetings and attendance details for the FY2019-20 are given below:

MEMBER OF THE COMMITTEE	DESIGNATION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Shri Ashok Kumar Ganju Independent Director	Chairman	6	6
Dr. C. B. Venkataramana Independent Director	Member	6	6
Dr. Narinder Singh Raina Independent Director	Member	6	1

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

2. TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee (NRC) include the areas specified by SEBI (LODR) Regulations, 2015, Section 178 of the Companies Act, 2013, DPE Guidelines on Corporate Governance and 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 as well as by SEBI vide its letter dated 2nd April 2018 to IRCON].

The terms of reference of the Nomination and Remuneration Committee are as follows:

- a. 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.
- b. 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.
- c. 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.
- d. 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.
- e. To carry out any other functions as may be included under the Companies Act, or DPE Guidelines, or SEBI (LODR) Regulations, 2015.

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.

3.2 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 line with the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and DPE Corporate Governance Guidelines.

During FY2019-20, six meetings of the NRC were held on 15th May 2019, 12th July 2019, 13th November 2019, 6th February 2020, 2nd March 2020 and 18th March 2020.

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3. PERFORMANCE EVALUATION OF BOARD MEMBERS:

Ministry of Corporate Affairs has, vide its notification dated 5th June 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-sections (2), (3) & (4) of Sec. 178 regarding the appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

Further, MCA vide its notification dated 5th July 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 Director of Non-Independent Directors and Chairman and performance evaluation of the Independent Director by the Board if the concerned department or ministries have specified these requirements.

In this regard, the Department of Public Enterprise (DPE) has already laid down a mechanism for performance appraisal of all Functional Directors. The performance evaluation of Functional Directors as well as the Company is done through a system of Annual Performance Appraisal Report (APAR) by Ministry of Railways and Memorandum of Understanding entered with Ministry of Railways respectively, and the said evaluation is submitted to Department of Public Enterprises through the Administrative Ministry. IRCON enters into Memorandum of Understanding (MoU) with Government of

India each year, containing key performance parameters for the Company. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals. The internal MoU covers all operational and performance parameters like plant performance and efficiency, financial targets, cost-cutting targets, environment, welfare, community development and any other relevant factor.

In respect of Government Nominee Directors, their evaluation is done by the Ministry of Railways as per the procedure laid down. Since independent directors are also appointed by the Government of India, their evaluation is also done by the Ministry of Railways and finally by DPE

4. REMUNERATION OF DIRECTORS:

Being a Government Company, the Whole-Time Directors are appointed by the President of India through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the Government and as per the terms and conditions of their appointment issued by the Government.

The Part-Time Official Directors nominated on the Board do not draw any remuneration from the Company for their role as a Director but draw their remuneration under Central Dearness Allowance (CDA) pay scales from the Government of India as government officials.

Independent Directors are paid a sitting fee for attending the meetings of the Board and Committee thereof. During FY2019-20, the Independent Directors were paid a sitting fee of ₹30,000/- for attending the Board Meeting and ₹20,000/- for attending Board Committee Meetings.

a. Details of remuneration of Whole-time Directors during FY2019-20 are given below:

(in ₹.)

SI. NO.	PARTICULARS OF REMUNERATION	NAME & DESIGNATION OF DIRECTORS				
		S.K. CHAUDHARY CHAIRMAN & MANAGING DIRECTOR	DEEPAK SABHLOK DIRECTOR (PROJECTS) (UPTO 31.10.2019)	M.K. SINGH DIRECTOR (FINANCE)	YOGESH KUMAR MISRA DIRECTOR (WORKS)	SHYAM LAL GUPTA DIRECTOR (PROJECTS) (W.E.F. 01.11.2019)
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,88,775	44,39,607	39,64,576	36,92,921	17,03,898
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	11,42,720	9,23,402	9,81,418	7,96,202	2,45,624
c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-

Sl. No.	PARTICULARS OF REMUNERATION	NAME & DESIGNATION OF DIRECTORS				
		S.K. CHAUDHARY CHAIRMAN & MANAGING DIRECTOR	DEEPAK SABHLOK DIRECTOR (PROJECTS) (UPTO 31.10.2019)	M.K. SINGH DIRECTOR (FINANCE)	YOGESH KUMAR MISRA DIRECTOR (WORKS)	SHYAM LAL GUPTA DIRECTOR (PROJECTS) (W.E.F. 01.11.2019)
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
5	Others, please specify:					
-	Performance Linked Incentive	31,12,090	15,38,150	26,44,608	3,11,170	-
-	Retirement Benefits	6,44,763	16,29,052	7,64,514	7,06,779	2,70,100
	Total	89,88,348	85,30,211	83,55,116	55,07,072	22,19,622

b. Details of payments made to Independent Directors [Part-Time Non-Official] Directors during FY2019-20:

The composition of the Committee, meetings and attendance details for FY2019-20 are given below:

NAME OF THE INDEPENDENT DIRECTOR/PART-TIME (NON-OFFICIAL DIRECTORS)	SITTING FEE (RS)		TOTAL (RS)
	BOARD MEETINGS	COMMITTEE MEETINGS	
Dr. C. B. Venkataramana	2,70,000	4,40,000	7,10,000
Dr. Narinder Singh Raina	30,000	40,000	70,000
Shri Ashok Kumar Ganju	2,40,000	4,60,000	7,00,000
Shri Avineesh Matta (w.e.f. 15.07.2019)	1,80,000	1,20,000	3,00,000
Prof. (Ms.) Vasudha Vasant Kamat (w.e.f. 15.07.2019)	1,80,000	60,000	2,40,000

MEMBER OF THE COMMITTEE	DESIGNATION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Dr. C. B. Venkataramana Independent Director	Chairman	2	2
Shri Hari Mohan Gupta Part-time (Official) Director	Member (w.e.f. 15.05.2019)	2	0
Shri Sukhmal Chand Jain Part-time (Official) Director	Member (upto 08.05.2019)	0	0
Shri Mukesh Kumar Singh Director (Finance)	Member	2	2

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition, terms of reference, quorum, and the scope of Stakeholders' Relationship (SRC) are in line with the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

1. COMPOSITION, MEETING AND ATTENDANCE:

During FY2019-20, the Committee met two times on 27th May 2019 and 6th February 2020. The Committee has been reconstituted as and when there has been a change in directors. During the year the Committee was reconstituted on 15th May 2019. The Stakeholders Relationship Committee comprised of the following directors on 31st March 2020:

MEMBER OF THE COMMITTEE	DESIGNATION
Dr. C. B. Venkataramana Independent Director	Chairman
Shri Hari Mohan Gupta Part-Time (Official) Director	Member
Shri Mukesh Kumar Singh Director (Finance)	Member

Ms Ritu Arora, Company Secretary, is the Secretary to this Committee.

2. 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) Regulations, 2015:

- 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.

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- e. 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.
- f. To carry out any other function as may be required under Companies Act, or DPE Guidelines, or SEBI (LODR) Regulations, 2015 or other matters, if any required by the stock exchanges from time to time.

3. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Ms Ritu Arora, Company Secretary, is the Compliance Officer of the Company in terms of SEBI (LODR) Regulations, 2015.

4. DETAILS OF SHAREHOLDER'S COMPLAINTS

The Company has attended to Investor's grievances expeditiously. During FY2019-20, a total of 83 queries/complaints from Shareholders were received (apart from 16 complaint pending from the previous year), and all the complaints were resolved at the year-end. The details are as follows:

NATURE OF COMPLAINT	RECEIVED	RESOLVED	PENDING
Status of Applications Lodged for Public Issues	7	7	Nil
Non-receipt of Refund Order	Nil	Nil	Nil
Non-Receipt of Dividend warrants (Including Enquires)	69	69	Nil
Non-receipt of Electronic Credits	Nil	Nil	Nil
SEBI Complaints	2	2	Nil
Stock Exchange Complaints	2	2	Nil
Consumer Forum/Court Cases	Nil	Nil	Nil
Advocate Notices	Nil	Nil	Nil
Miscellaneous	3	3	Nil

3.4 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) has been constituted 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. During the year, the Committee was reconstituted on 15th May 2019, 8th August 2019 and 1st November 2019. As on 31st March 2020, the CSR Committee comprised of the following Directors:

MEMBER OF THE COMMITTEE	DESIGNATION
Prof.(Ms.) Vasudha Vasant Kamat Independent Director	Chairperson
Shri Ashok Kumar Ganju Independent Director	Member
Dr. Narinder Singh Raina Independent Director	Member
Shri Avineesh Matta Independent Director	Member
Shri Shyam Lal Gupta Director (Projects)	Member

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

The CSR Committee was last reconstituted on 30th April 2020. As on the date of this report, the Committee comprises of the following directors:

MEMBER OF THE COMMITTEE	DESIGNATION
Shri Ashok Kumar Ganju Independent Director	Chairman
Dr. Narinder Singh Raina Independent Director	Member
Shri Shyam Lal Gupta Director (Projects)	Member

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

The details of the CSR & Sustainability Report activities of the Company are provided in the Annual Report and placed on the Website of the Company.

2. MEETINGS AND ATTENDANCE:

During FY2019-20, the Committee met three times on 12th July 2019, 15th October 2019 (Adjourned on 16th October 2019) and 30th December 2019. The attendance details of said meetings are:

MEMBERS OF THE COMMITTEE	DESIGNATION	NO. OF MEETINGS HELD DURING THEIR RESPECTIVE TENURES	NO. OF MEETINGS ATTENDED
Prof. (Ms.) Vasudha Vasant Kamat Independent Director	Chairperson (w.e.f. 08.08.2019 upto 31.03.2020)	2	2
Dr. Narinder Singh Raina Independent Director	Chairman (w.e.f. 15.05.2019 up to 07.08.2019)	1	1
	Member (w.e.f.08.08.2019)	2	0
Shri Deepak Sabhlok Director (Projects)	Member (upto 31.10.2019)	2	2

MEMBERS OF THE COMMITTEE	DESIGNATION	NO. OF MEETINGS HELD DURING THEIR RESPECTIVE TENURES	NO. OF MEETINGS ATTENDED
Shri Avineesh Matta Independent Director	Member (w.e.f. 08.08.2019 upto 31.03.2020)	2	2
Shri Ashok Kumar Ganju Independent Director	Member	3	3
Shri Shyam Lal Gupta Director (Projects)	Member (w.e.f. 01.11.2019)	1	1
Shri Hari Mohan Gupta Part-Time (Official) Director	Member (w.e.f. 15.05.2019 upto 07.08.2019)	1	0

3. TERMS OF REFERENCE

The terms of reference of the CSR Committee, inter - alia, include -

- 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 less than a General Manager level official, and his team of officials, as though 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.

3.5 INDEPENDENT DIRECTORS COMMITTEE

The terms of reference of the Independent Directors Committee are as per Schedule IV of the Companies Act, 2013, SEBI (LODR) Regulation, 2015 to the extent applicable and DPE-OM dated 28th December 2012 (as amended vide DPE-OM dated 20th June 2013).

During FY2019-20, one meeting of the Independent Directors Committee was held on 10th February 2020 which was attended by all the Independent Directors except Dr. Narinder Singh Raina, Independent Director.

3.6 PROJECT PROGRESS REVIEW COMMITTEE (PRC)

The Committee was formed by the Board of Directors to review the progress of the Projects under execution. The Committee has been reconstituted as and when there has been a change in the director. During FY2019-20, the Committee was reconstituted on 15th May 2019, 8th August 2019 and 1st November 2019.

On 31st March 2020, the Project Progress Review Committee comprised of the following directors:

MEMBER OF THE COMMITTEE	DESIGNATION
Shri Avineesh Matta Independent Director	Chairperson
Shri Ashok Kumar Ganju Independent Director	Member
Dr. C. B. Venkataramana Independent Director	Member
Shri Shyam Lal Gupta Director (Projects)	Member
Shri Yogesh Kumar Misra Director (Works)	Member
Shri Hari Mohan Gupta Part-time (Official) Director	Member

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee

The Committee is assisted by concerned Executive Director level officials associated with the Whole-time Directors.

As on the date of this report, the Committee comprises of the following Directors:

MEMBER OF THE COMMITTEE	DESIGNATION
Shri Ashok Kumar Ganju Independent Director	Member
Dr. C. B. Venkataramana Independent Director	Member
Shri Shyam Lal Gupta Director (Projects)	Member
Shri Yogesh Kumar Misra Director (Works)	Member
Shri Hari Mohan Gupta Part-time (Official) Director	Member

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1. MEETINGS AND ATTENDANCE

The Committee met four times during FY2019-20 on 14th July 2019, 14th November 2019, 10th February 2020 and 6th March 2020 (Continued on 7th March 2020). The attendance details of said meetings are:

MEMBERS OF THE COMMITTEE	DESIGNATION	NO. OF MEETINGS HELD DURING THEIR RESPECTIVE TENURES	NO. OF MEETINGS ATTENDED
Shri Avineesh Matta Independent Director	Chairman (w.e.f.08.08.2019)	3	3
Shri Ashok Kumar Ganju Independent Director	Chairman (w.e.f. 15.05.2019 up to 07.08.2019)	1	1
	Member (w.e.f.08.08.2019)	3	3
Dr. C. B. Venkataramana Independent Director	Member	4	4
Shri Hari Mohan Gupta Part-time Official Director	Member	4	0
Shri Sukhmal Chand Jain Part-time Official Director	Member (upto 08.05.2019)	0	0
Shri Deepak Sabhlok Director (Projects)	Member (upto 31.10.2019)	1	1
Shri Yogesh Kumar Misra Director (Works)	Member	4	2
Shri Shyam Lal Gupta Director (Projects)	Member (w.e.f. 01.11.2019)	3	2

2. TERMS OF REFERENCE:

The terms of reference of said 'Project Progress Review Committee' is to review the physical progress and allied activities strictly related to physical progress of the ongoing projects (except PMC projects) of the Company and to address possible roadblocks in the smooth execution of projects.

3.7 RISK MANAGEMENT COMMITTEE

The Company has an elaborate Enterprise Risk Management (ERM) framework in place. The Risk Management Committee has been constituted in line with the requirements of the SEBI (LODR) Regulations, 2015. As per SEBI (LODR) Regulations 2015, the requirement of Risk Management Committee is applicable with effect from 01.04.2019 on the Company; however, the Company already has a Board level Risk Management Committee since 2012 (as per erstwhile Listing Agreement) comprising Director (Projects), Director (Finance) and Director (Works).

1. COMPOSITION

The Company has a Risk Management Committee comprising of Whole-Time Directors, a Rapid Action Group at Executive Directors (below-board) level/ Chief General Managers. The Committee has been reconstituted as and when there has been a change in the director. During FY2019-20, the Committee was reconstituted on 1st November 2019. On 31st March 2020, the Risk Management Committee comprised of the following directors:

MEMBER OF THE COMMITTEE	DESIGNATION
Shri Mukesh Kumar Singh Director (Finance)	Member
Shri Yogesh Kumar Misra Director (Works)	Member
Shri Shyam Lal Gupta Director (Projects)	Member

During FY2019-20, two meetings of Risk Management Committee was held on 9th September 2019 and 4th March 2020. The attendancedetails of the said meetings are as follow:

MEMBERS OF THE COMMITTEE	DESIGNATION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Shri Mukesh Kumar Singh Director (Finance)	Member	2	2
Shri Deepak Sabhlok Director (Projects)	Member (up to 31.10.2019)	1	1
Shri Shyam Lal Gupta, Director (Projects)	Member (w.e.f 01.11.2019)	1	1
Shri Yogesh Kumar Misra Director (Works)	Member	2	1

The Committee is assisted by concerned Executive Directors (below Board) level/Chief General Managers.

2. TERMS OF REFERENCE:

The terms of reference of the Risk Management Committee is to identify, evaluate and minimise identifiable risks. It includes activities like assessing the risk appetite of the company in line with the overall business environment and company's objectives, identifying the potential risks and their impact assessment on the ongoing and potential projects, development of response strategy to the assessed risks, dissemination of response strategy at the implementation level and its implementation, monitoring and feedback on the risk management effectiveness.

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	SPECIAL RESOLUTION PASSED
2018-19 (43 rd AGM)	3 rd September 2019	1000 hours	Air Force Auditorium, Subroto Park, New Delhi - 110010	Nil
2017-18 (42 nd AGM)	14 th September 2018	1600 hours	Railway Board, Rail Bhawan, New Delhi-110001	1*
2017-18 (8 th EGM)	21 st December 2017	1330 hours	Railway Board, Rail Bhawan, New Delhi-110001	2*
2017-18 (7 th EGM)	22 nd May 2017	1200 hours	3 rd Floor, C-4, District Centre, Saket, New Delhi-110017	3*
2016-17 (41 st AGM)	28 th September 2017	1200 hours	Railway Board, Rail Bhawan, New Delhi-110001	Nil

Details of Special resolutions passed in previous three AGMs

- 1*. A special resolution was passed in the 42nd AGM (for the year 2017-18) held on 14th September 2018, for amending the borrowing powers under Section 180 (1)(c) of the Companies Act, 2013 and to provide security in connection with the borrowings.
- 2*. Special resolution was passed in the 8th Extra-Ordinary General Meeting (EGM) held on 21st December 2017 for amendment in Memorandum and Articles of Association of the Company as per the Companies Act, 2013 & SEBI (LODR) Regulations, 2015.
- 3*. Two special resolutions were passed in the 7th Extra-Ordinary General Meeting (EGM) held on 22nd May 2017 for amendment in i) Memorandum of Association of the Company and ii) Articles of Association of the Company to increase the authorised share capital of the Company from Rs 100 crores to Rs 400 crores.

- » 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 FY2019-20, Quarterly Results have been published as follows:

QUARTER	NEWSPAPER(S)
Q1 ended 30.06.2019	Financial Express (English), , Jansatta (Hindi)
Q2 and half year ended 30.09.2019	Financial Express (English), Indian Express (English), Jansatta (Hindi)
Q3 and nine months ended 31.12.2019	Financial Express (English), Jansatta (Hindi)
Q4 and the year ended 31.03.2020	Financial Express (English), Indian Express (English), Jansatta (Hindi)

4.2 SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING FY2019-20:

No special resolution was passed through the postal ballot in the previous year. However, two ordinary resolutions were passed through Postal Ballot on 22nd March 2020 for i) Splitting of the Company's one (1) equity share of face value of ₹10/- each into five (5) equity shares of face value of ₹2/- each and ii) Amending the Capital Clause in the Memorandum of Association of the Company.

4.3 SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT IF ANY:

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 includes the following:

- » Quarterly/ Half-yearly/ Annual Financial Results
- » Quarterly Shareholding Pattern

6. GENERAL SHAREHOLDER INFORMATION:

6.1 ANNUAL GENERAL MEETING OF THE CURRENT YEAR: (THROUGH VIDEO CONFERENCING)

Day & Date: Tuesday & 29th September 2020
Time: 11.30 A.M

Venue: Registered Office of the Company at C-4, District Centre, Saket, New Delhi- 110017 shall be deemed to be the venue

CORPORATE GOVERNANCE REPORT

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, 23rd September 2020 to Tuesday, 29th September 2020 (both days inclusive).

6.4 PAYMENT OF DIVIDEND

The Board of Directors of the Company has recommended a final dividend at the rate of ₹2.06 per share of face value of ₹2/-each, [i.e. 103% of paid-up share capital of Rs.94.05 Crore] amounting to of ₹96.87 Crore for the financial year ended 31st March 2020 over and above the Interim Dividend of ₹13.45 per share of face of ₹10/- each (i.e. 134.50% of paid-up share capital of ₹94.05 Crore) amounting to ₹126.50 Crore which was declared and paid in February & March 2020 respectively.

The final dividend on equity shares will be paid on Monday, 14th October 2020 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 and Central Depository Services(India) Limited as at the close of business hours on Tuesday, 22nd September 2020.

6.5 DIVIDEND HISTORY

The details of dividend paid by IRCON in the last eight 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	DATE OF PAYMENT OF DIVIDEND (INTERIM AND FINAL)
2012-2013	19.796	148.47 (₹ 75 per share)	30.01.2013* 03.09.2013	Interim Final	25.02.2013 27.09.2013
2013-2014	19.796	182.12 (₹ 92 per share)	31.01.2014* 25.09.2014	Interim Final	25.02.2014 17.10.2014
2014-2015	19.796	182.12 (₹ 92 per share)	28.01.2015* 22.12.2015	Interim Final	24.02.2015 18.01.2016
2015-2016	19.796	168.26 (₹ 85 per share)	19.02.2016* 28.09.2016	Interim Final	14.03.2016 21.10.2016
2016-2017	19.796 +79.184# 19.796 +79.184# 19.796 +79.184#	79.05 16.10 97.25	20.01.2017* 23.03.2017* 28.09.2017	Interim Additional Interim Final	14.02.2017 27.03.2017 24.10.2017
2017-2018	94.05	192.40 (₹ 20.46 per share)	20.03.2018* 14.09.2018	Interim Final	28.03.2018 10.10.2018
2018-2019	94.05	202.64 (₹ 21.54 per share)	07.02.2019* 28.05.2019	Interim Final	26.02.2019 18.09.2019
2019-2020	94.05	223.48 (per share) \$	11.02.2020* 10.07.2020	Interim Final	03.03.2020 14.10.2020

*Date of Board Meeting in which interim dividend was declared.

#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 @ Rs.13.45 per share at a face value of Rs.10 each and final dividend was paid @Rs.2.06 per share of face value of Rs.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 annexed to the Board's Report at Appendix-J and has also been hosted on the Website of the Company.

annual listing fee for FY2019-20 as well as of FY2020-21 has been made to National Stock Exchange of India Limited and BSE Ltd. The ISIN pre-split of shares was INE962Y01013.

Subsequent to splitting of shares of the Company, as on date the new ISIN of Company is INE962Y01021.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051

BSE LIMITED

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

Scrip Code: IRCON

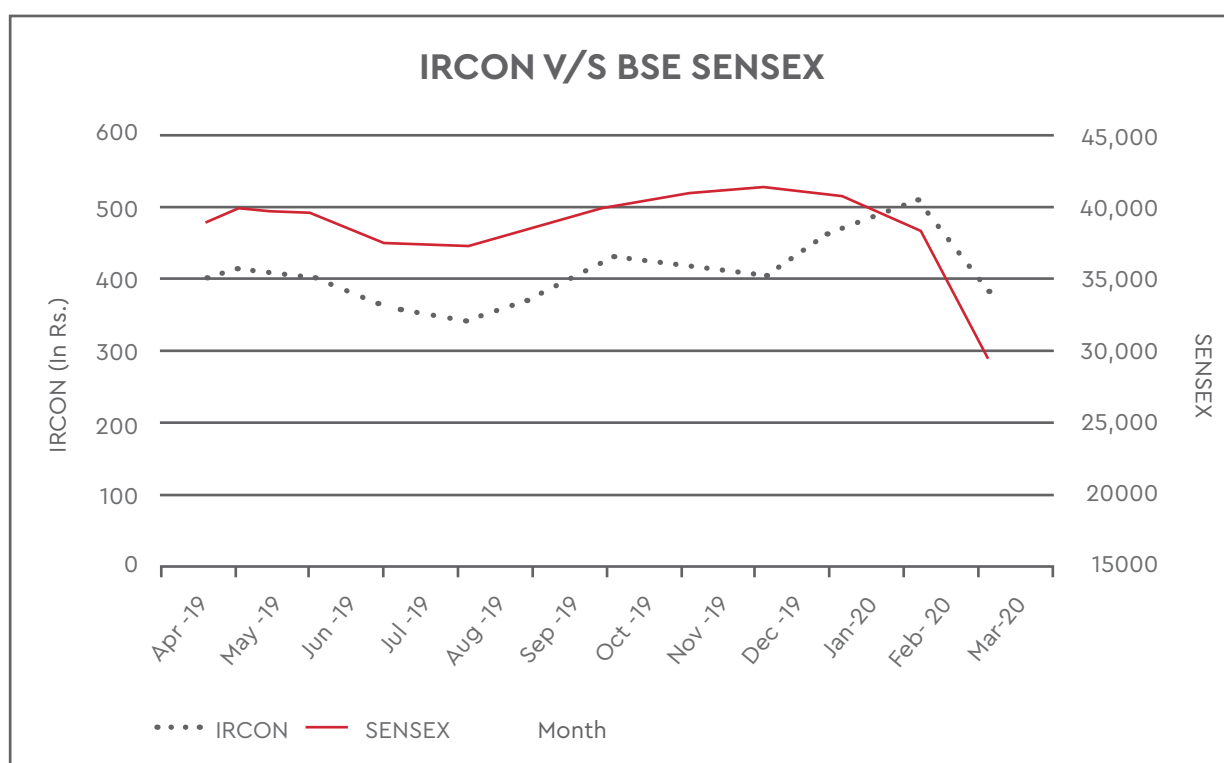
Scrip Code: 541956

6.7 LISTING ON STOCK EXCHANGE:

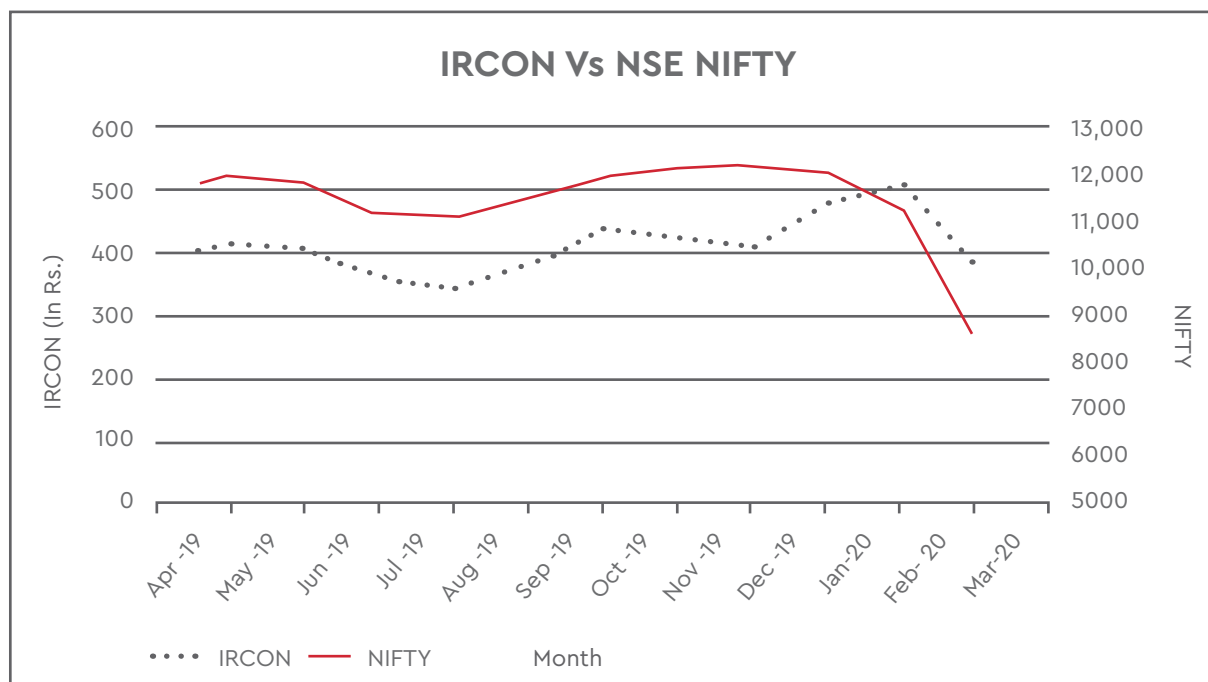
The Company got listed on 28.09.2018 on the following Stock Exchanges. The payment of the

6.8 IRCON'S SHARES MARKET PRICE DATA FOR FY2019-20

MONTHS	BSE				NSE				Index	
	HIGH	LOW	CLOSE	VOLUME	HIGH	LOW	CLOSE	VOLUME	BSE SENSEX	NSE NIFTY
	(IN ₹)				(NO. OF SHARES IN CRORE)		(NO. OF SHARES IN CRORE)			
Apr-19	426.00	392.20	399.55	3.64	425.80	391.00	398.75	25.42	39,031.55	11748.15
May-19	433.90	374.60	410.05	5.55	433.95	374.00	408.60	52.47	39,714.20	11922.80
June-19	419.30	380.90	401.65	2.33	417.50	380.90	401.50	16.59	39,394.64	11788.85
July-19	414.60	356.00	358.10	3.11	414.35	355.00	358.25	26.43	37,481.12	11118.00
Aug-19	367.10	333.30	338.65	2.29	367.00	333.40	338.85	22.39	37,332.79	11023.25
Sep-19	391.00	336.00	375.20	4.79	389.00	335.50	375.40	44.26	38,667.33	11474.45
Oct-19	449.00	354.65	429.30	11.61	449.70	354.80	429.25	102.54	40,129.05	11877.45
Nov-19	460.85	395.60	417.90	17.68	461.00	393.80	417.85	154.29	40,793.81	12056.05
Dec-19	422.00	385.00	402.00	4.44	424.40	385.00	401.95	3.81	41,253.74	12168.45
Jan-20	498.00	406.20	472.95	25.13	498.40	404.95	473.00	252.38	40,723.49	11,962.10
Feb-20	598.80	437.40	502.75	100.09	599.00	437.00	503.05	103.81	38,297.29	11,201.75
Mar-20	523.50	291.00	381.15	33.47	515.90	290.00	381.05	31.89	29,468.49	8,597.75



CORPORATE GOVERNANCE REPORT



6.9 SECURITIES OF THE COMPANY HAVE NOT BEEN SUSPENDED FROM TRADING DURING FY2019-20.

6.10 REGISTRAR AND TRANSFER AGENT FOR SHARES

KFin Technologies Private Limited

(formerly known as Karvy Fintech Private Limited),
Corporate Registry, Karvy Selenium, Tower- B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad-500032, India.
Toll-Free No: 18003454001
Email: einward.ris@kfintech.com

6.11 SHARE TRANSFER SYSTEM

KFin Technologies Private Limited is the Registrar and Share Transfer Agent (RTA) 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 8th June 2018 wherein it has been mandated that w.e.f. 01.04.2019, 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. In this reference, a notice has been hosted on the Website of the Company for informing the shareholders to hold the shares in dematerialised form only w.e.f. 01.04.2019.

Entire share transfer activities under the physical segment are being carried out by RTA. Half Yearly Compliance Certificate as required under Regulation 7(3) of SEBI (LODR) Regulations, 2015 duly signed by the Compliance Officer and Share Transfer Agent have been submitted to the Stock Exchange.

Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015, a certificate from Practising Company Secretary on half-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 FY2019-20, no request/ applications relating to share transfers, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies were received

Distribution of Shareholding as on 31st March 2020

a. Distribution of shares according to the size of holding as on 31st March 2020

NO. OF EQUITY SHARE(S) HELD	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES	% OF SHARE HOLDING
1- 5000	67,562	99.78	45,43,346	4.83
5001-10000	76	0.11	5,68,235	0.60
10001-20000	31	0.05	4,73,339	0.50
20001-30000	18	0.03	4,44,170	0.47
30001-40000	3	0.00	1,06,930	0.11
40001-50000	1	0.00	42,250	0.04
50001-100000	6	0.01	4,36,546	0.46
100001 and above	15	0.02	8,74,36,758	92.97
Total	67,712	100.00	9,40,51,574	100.00

b. Shareholding Pattern as on 31st March 2020

CATEGORY	NO. OF SHARES HELD	% OF TOTAL NO. OF SHARES
President of India*	83,878,417	89.18
Mutual Funds	2,23,290	0.24
Financial Institutions/ Banks	1,20,478	0.13
Foreign Portfolio Investors	1,83,811	0.20
Bodies Corporates	1,126,671	1.20
Resident Individuals	5,171,381	5.50
Others	33,47,526	3.55
Total	94,051,574*	100

During the year FY2019-20, 20,000 equity shares held by the nominees of the President of India were transferred to the President of India.

§Subsequent to listing of shares of the Company, under Promoter Category, the entire pre-offer share capital held by the President of India and his nominees (Promoter) were locked-in for a period of one year (i.e. upto 26th September 2019), and the same has been released on 26th September 2019. Further, as per SEBI Regulations, an aggregate of 20% of the fully diluted Post-Offer capital held by the Promoter has been considered as minimum Promoter's contribution and is locked-in for a period of three years from the date of allotment, i.e. upto 26th September 2021.

c. Shareholders holding more than 1% of shares of the Company:

CATEGORY & SHAREHOLDER'S NAME	AS ON 31 ST MARCH 2020	
	VOTING STRENGTH	NO. OF SHARES HELD
Promoters		
The President of India	89.18	83,878,417

d. Disinvestment of shares by the Government of India

During FY2019-20, no disinvestment has been made by the President of India (Promoter) acting through Ministry of Railways, Government of India.

6.12 DEMATERIALISATION OF SHARES AND LIQUIDITY

The shares of the Company are in compulsory dematerialised form and are admitted with both the Depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Reconciliation of Share Capital Audit Report of the Company obtained from 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 31st March, 2020 are as follows:

CATEGORY	NO. OF SHARES	PERCENTAGE
Physical	55	0.000
DEMAT		
with NSDL	91,310,160	97.085
with CDSL	2,741,359	2.915
Total	9,40,51,574	100

6.13 OUTSTANDING GDRS/ADRS:

There are no GDRs/ADRS/warrants/convertible instrument outstanding as on 31st March 2020.

6.14 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.

6.15 PLANT LOCATIONS/OPERATING UNITS

The Company has its headquarter at Saket, New Delhi and thirty eight (38) Project offices and four (4) regional offices to support and manage its business operations throughout India and five (5) overseas project offices in Sri Lanka, Bangladesh, Malaysia, South Africa and Algeria to provide outside support overseas.

A list of the operating units/offices is available on the Website of the Company.

6.16 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.

6.17 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

CORPORATE GOVERNANCE REPORT

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 31st March 2020, 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) Regulation, 2015 and relevant 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 Listing Regulations.

The RPT Policy is available at the link:
http://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en

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, 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.

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.

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 1st April 2005 and have been posted on the Website of the Company, i.e. www.ircon.org.

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 FY2019-20 is placed as Annexure - E1.

7.4 CODE OF CONDUCT FOR FAIR DISCLOSURE FOR PREVENTION OF INSIDER TRADING

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, 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 against the Board Level Executives shall be made to the Vigilance Directorate of the Ministry of Railways, Government of India, for further processing.

7.6 'COMPLIANCE OF SEBI (LODR) REGULATIONS, 2015'

The Company has complied with the requirements of SEBI (LODR) Regulations, 2015 as amended. The Company is non-compliant with respect to the composition of Board of Directors due to vacant posts of Independent Directors, as the appointment is made by the administrative Ministry (i.e. Ministry of Railways). The Company has no role to play in it.

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 five 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)

None of the aforesaid subsidiary companies is a material subsidiary 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 FY2019-20 on a consolidated basis are mentioned below:

Sr. No.	PARTICULARS OF FEES	₹ IN CRORE
1	Audit Fee	0.30
2	Tax Audit Fee	0.09
3	Fee for Quarterly Limited Review	0.17
4	Certification Fees	0.07
5	Travelling & Out of pocket Expenses:	
a.	Travelling Expenses	0.02
b.	Out of pocket expenses	0.05
	Total	0.70

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 -E2.

7.11 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND (REDRESSAL) ACT, 2013 FOR FY2019-20:

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
Nil	Nil	Nil

7.12 DETAILS OF COMPLIANCE WITH THE REQUIREMENTS OF DPE CORPORATE GOVERNANCE GUIDELINES:

DPE has awarded 'Excellent' grading to IRCON for compliance of DPE Corporate Governance Guidelines during 2018-19.

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 FY2019-20.

7.13 PRESIDENTIAL DIRECTIVES FOR THE LAST THREE YEARS:

Ministry of Railways conveyed its decision of disinvestment of its shareholding in the Company through Initial Public Offering. Accordingly, Government of India has disinvested 10.53% (99,05,157 equity shares) of its shareholding in the Company by way of Initial Public Offering and the Company was listed with BSE Ltd. and National Stock Exchange of India Ltd. on 28th September 2018.

Further, pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Ministry of Finance notification dated 03.08.2018, every listed public sector Company which has public shareholding below 25%, shall increase its public shareholding to at least 25% within a period of two years, i.e. by August 2020 [For details, please refer at page no. 95 of Directors' Report].

7.14 ITEMS OF EXPENDITURE DEBITED IN BOOKS OF ACCOUNTS, WHICH ARE NOT FOR THE PURPOSES OF THE BUSINESS.

During the year, there are no items of expenditure debited in books of accounts other than for the business purposes of the Company.

7.15 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 3.2.4 of this report and also disclosed in Note No. 42 forming part of the standalone financial statement.

7.16 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 2019-20	FY 2018-19	REMARKS
Other Expenses (Administrative) (₹ in Crore)	41.88	49.45	
Bank & Other Finance Charges (₹ in Crore)*	25.90	13.09	
Total Expenses (₹ in Crore)	4769.15	4064.36	NIL
Administration expenses/ Total expenses (in %)	0.88	1.22	
Bank & Financial Charges/ Total expenses (in %)	0.54	0.21	

*Excluding interest on the unwinding of financial instruments, amortisation of financial instruments and unwinding of discount on provisions.

7.17 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) Regulations 2015 have been made.

CORPORATE GOVERNANCE REPORT

7.18 DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

During FY2019-20, the Company does not have any shares in the Demat suspense account or unclaimed suspense account.

7.19 UNCLAIMED DIVIDEND

The amount of dividend remaining unpaid/unclaimed for seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As of now, no amount is yet due for transfer to Investor Education and Protection Fund.

However, to protect the interest of shareholders, separate notice/request has been sent to the shareholders to claim the unclaimed/unpaid interim and final dividend for the year 2018-19.

7.20 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.

8. AUDIT QUALIFICATIONS

For Audit Qualifications, the Independent Auditor's Report submitted by K. G. Somani & Co., Chartered Accountants on the financial statements for the year ending 31st March 2020 may be referred to. The Auditor's Report is unmodified.

9. DISCRETIONARY REQUIREMENTS:

9.1 The Board: The Company is headed by an Executive Chairman.

Place : New Delhi

Date: 25.08.2020

9.2 SHAREHOLDERS' RIGHTS: The financial results for the half-year ended 30th September 2019 were published in Financial Express (English), Indian Express (English) and Jansatta (Hindi) on 14th November 2019 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.

9.3 Reporting of internal auditor: the internal auditors directly report to the audit committee.

10. COMPLIANCE CERTIFICATE BY CEO/ CFO CERTIFICATION

As per Regulation 17 (8) of the SEBI (LODR) Regulations, 2015 the compliance certificate duly signed by the Chairman and Managing Director and Director (Finance) was placed before the Board of Directors at its meeting held on 10.07.2020 and the same is placed as **Annexure- E3** 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 FY2019-20.

Certificate obtained from a Practising Company Secretary regarding the compliance of the conditions of Corporate Governance is placed as **Annexure-E4** to this Report.

For and on behalf of the Board of Directors

Sd/-
(S. K. Chaudhary)
Chairman & Managing Director
(DIN: 00515672)

Annexure -E1

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2019-20.

I, S.K. Chaudhary, Chairman & Managing Director, 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 FY2019-20.

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Sd/-
(S.K. Chaudhary)
Chairman & Managing Director
(DIN: 00515672)

Place : New Delhi

Date: 16.07.2020

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 **Registered 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 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] 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 for the Financial Year ending on 31st March 2020 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 Sunil Kumar Chaudhary	00515672	29/10/2016	Continuing
2.	Shri Shyam Lal Gupta	07598920	01/11/2019	Continuing
3.	Shri Mukesh Kumar Singh	06607392	01/05/2016	Continuing
4.	Shri Yogesh Kumar Misra	07654014	28/12/2018	Continuing
5.	Shri Piyush Agarwal	08305385	17/12/2018	31/03/2020
6.	Shri Hari Mohan Gupta	08453476	15/05/2019	Continuing
7.	Shri Avineesh Matta	00011749#	15/07/2019	31/03/2020
8.	Prof. (Ms.) Vasudha Vasant Kamat	07500096#	15/07/2019	31/03/2020
9.	Dr. Balasatya Venkataramana Chitta	03179171	28/09/2017	Continuing
10.	Dr. Narinder Singh Raina	07968391	17/10/2017	Continuing
11.	Shri Ashok Kumar Ganju	07014589	08/03/2018	Continuing

Re-appointed as Independent Director w.e.f. 15/07/2020

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
C P No.: 14984

Place: Noida
Date: 15th July 2020

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CEO & CFO CERTIFICATION

To,
The Board of Directors,
Ircon International Limited,
C-4, District Centre, Saket,
New Delhi- 110017

Sub: Compliance Certificate for the year ended on 31.03.2020

We have reviewed the Financial Statements and the Cash Flow Statement for FY2019-20 and to the best of our knowledge and belief:

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

Sd/-
(M. K. Singh)
Director Finance
(DIN: 06607392)

Sd/-
(S.K. Chaudhary)
Chairman and Managing Director
(DIN: 00515672)

Place: Noida
Date: 10th July 2020

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE FY2019-20

To,
The Members
IRCON INTERNATIONAL LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Ircon International Limited ("the Company"), for the year ended on 31st March 2020, 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 31st March 2020 **subject to the following:**

The Company did not have:

- i. **Requisite number of Independent Directors on its Board as required under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.**
 - ii. **Woman Director on its Board as required under Section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of SEBI (LODR) Regulations, 2015 from 1st April, 2019 to 14th July, 2019.**
5. 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.
 6. In view of the situation emerging out of the outbreak of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended 31st March, 2020 and the documents/information required by us were provided through electronic Mode.

For Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807
C P No.: 14984

Place: Noida
Date: 15th July 2020

FORM NO.MGT -9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31st March, 2020
(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

1. Corporate Identity Number (CIN)	-	L45203DL1976GOI008171
2. Registration Date	-	28 th April 1976
3. Name of the Company	-	Ircon International Limited
4. a) Category of the Company	-	Public Company
b) Sub-category of the Company	-	Government Company, Limited by Shares and Company having share capital
5. Address of the Registered office & contact details	-	Plot No. C-4, District Centre, Saket, New Delhi - 110017 Ph. No.: 011-26530456 Fax No.: 011-26522000 Email id: cosecy@ircon.org
6. Whether Listed Company (Yes/ No)	-	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any	-	KFin Technologies Private Limited Corporate Registry, Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, Telangana, India Telephone: +91 40 6716 2222 Email: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are:

SL. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT/SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Railways	4210	80.98%
2	Highways	4210	18.32%

III. PARTICULAR SOF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Ircon Infrastructure & Services Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2009GOI194792	Subsidiary	100%	2(87)
2	Ircon PB Tollway Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2014GOI272220	Subsidiary	100%	2(87)
3	Ircon Shivpuri Guna Tollway Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2015GOI280017	Subsidiary	100%	2(87)
4	Ircon Davanagere Haveri Highway Limited C-4, District Centre, Saket, New Delhi -110017	U45500DL2017GOI317401	Subsidiary	100%	2(87)

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
5	Ircon Vadodara Kim Expressway Limited C-4, District Centre, Saket, New Delhi -110017	U74999DL2018GOI334028	Subsidiary	100%	2(87)
6	Indian Railway Stations Development Corporation Limited 7th floor, Tower 1, Konnectus building, Bhavbhuti Marg, New Delhi, Central Delhi- 110002	U45204DL2012GOI234292	Joint Venture	50%	2(6)
7	Ircon-Soma Tollway Private Limited C-4, District Centre, Saket, New Delhi-110017	U74999DL2005PTC135055	Joint Venture	50%	2(6)
8	Chhattisgarh East Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000729	Joint Venture	26%	2(6)
9	Chhattisgarh East-West Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000768	Joint Venture	26%	2(6)
10	Mahanadi Coal Railway Limited Corporate Office, MCL HQ, MDF Room, Jagriti Vihar, Burla, Sambalpur - 768020 (Odisha)	U60100OR2015GOI019349	Joint Venture	26%	2(6)
11	Jharkhand Central Railway Limited CCL, Darbhanga House, Ranchi - 834029 (Jharkhand)	U45201JH2015GOI003139	Joint Venture	26%	2(6)
12	Bastar Railway Private Limited Global Exploration Centre, NMDC Green Valley City, Housing Board Colony, Borlyakala Raipur, Chhattisgarh - 492201	U74900CT2016PTC007251	Joint Venture	26%	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PER CENTAGE OF TOTAL EQUITY)

I) CATEGORY-WISE SHAREHOLDING

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01-04-2019				NO. OF SHARES HELD AT THE END OF THE YEAR i.e. 31-03-2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	83878417	-	83878417	89.18	83878417	-	83878417	89.18	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	83878417	-	83878417	89.18	83878417	-	83878417	89.18	-
(2)	FOREIGN									

CATE- GORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01-04-2019				NO. OF SHARES HELD AT THE END OF THE YEAR i.e. 31-03-2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2):	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	83878417	-	83878417	89.18	83878417	-	83878417	89.18	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	4444837	-	4444837	4.73	2595797	-	2595797	2.76	-1.97
(b)	Financial Institutions /Banks	208203	-	208203	0.22	120478	-	120478	0.13	-0.09
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	267725	-	267725	0.28	183811	-	183811	0.20	-0.09
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	4920765	-	4920765	5.23	2900086	-	2900086	3.08	-2.15
(2)	NON- INSTITUTIONS									
(a)	Bodies Corporate	1060315	-	1060315	1.13	1126671	-	1126671	1.20	0.07
(b)	Individuals									
(i)	Individuals holding nominal share capital upto Rs.1 lakh	3857257	17	3857274	4.10	5110813	55	5110868	5.43	1.33
(ii)	Individuals holding nominal share capital in excess of Rs.1 lakh	186535	-	186535	0.20	471380	-	471380	0.50	0.30
(c)	Others									
	Clearing Members	36479	-	36479	0.04	144074	-	144074	0.15	0.11
	NBFC	175	-	175	0.00	2000	-	2000	0.00	0.00
	Non-Resident Indians	75866	-	75866	0.08	355107	-	355107	0.38	0.30
	NRI Non- Repatriation	29121	-	29121	0.03	55725	-	55725	0.06	0.03
	Trusts	6627	-	6627	0.01	7246	-	7246	0.01	0.00
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	5252375	17	5252392	5.58	7273016	55	7273071	7.73	2.15
	Total B=B(1)+B(2):	10173140	17	10173157	10.82	10173102	55	10173157	10.82	0.00
	Total (A+B):	94051557	17	94051574	100.00	94051519	55	94051574	100.00	0.00

CATE- GORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01-04-2019				NO. OF SHARES HELD AT THE END OF THE YEAR i.e. 31-03-2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	94051557	17	94051574	100.00	94051519	55	94051574	100.00	

(II) SHAREHOLDING OF PROMOTERS

SL. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR *			% CHANGE IN SHAREHOLDING DURING THE YEAR (IN %)
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	
1	The President of India*	83878417	89.18	NIL	83878417	89.18	NIL	0.00

* 20,000 shares held by the nominees on behalf of the President of India were transferred to the President of India on 23-08-2019.

(III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THE REISNOCHANGE):

S. NO.	THE PRESIDENT OF INDIA	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	At the beginning of the year (01-04-2019)	83878417	89.18	83878417	89.18
	Date wise Increase/ (Decrease) in Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	At the end of the year (31-03-2020)	83878417	89.18	83878417	89.18

(III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

S. NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING		CUMULATIVE SHAREHOLDING DURING THE YEAR		
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	
1	PRINCIPAL TRUSTEE COMPANY PVT LTD A/C PRINCIPAL MUTUAL FUND					
	At the beginning of the year (01-04-2019)	1308605	1.39	1308605	1.39	
	Date wise Increase/ (Decrease) in Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)					
	Date	Purchase / Sale				
	05-04-2019	Sale	-15169	-0.02	1293436	1.38
	19-04-2019	Purchase	4900	0.01	1298336	1.38
	26-04-2019	Purchase	7100	0.01	1305436	1.39
	03-05-2019	Sale	-11000	-0.01	1294436	1.38
	17-05-2019	Purchase	57268	0.06	1351704	1.44

S. NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
24-05-2019	Purchase	9713	0.01	1361417	1.45
07-06-2019	Purchase	40000	0.04	1401417	1.49
12-07-2019	Purchase	12000	0.01	1413417	1.50
02-08-2019	Sale	-162	0.00	1413255	1.50
09-08-2019	Sale	-35384	-0.04	1377871	1.47
16-08-2019	Sale	-52123	-0.06	1325748	1.41
23-08-2019	Sale	-57478	-0.06	1268270	1.35
30-08-2019	Sale	-35232	-0.04	1233038	1.31
06-09-2019	Sale	-2279	0.00	1230759	1.31
13-09-2019	Sale	-83324	-0.09	1147435	1.22
20-09-2019	Sale	-28767	-0.03	1118668	1.19
27-09-2019	Sale	-157277	-0.17	961391	1.02
30-09-2019	Sale	-18235	-0.02	943156	1.00
04-10-2019	Sale	-9158	-0.01	933998	0.99
11-10-2019	Sale	-3348	0.00	930650	0.99
18-10-2019	Sale	-35874	-0.04	894776	0.95
01-11-2019	Sale	-100000	-0.11	794776	0.85
08-11-2019	Sale	-35221	-0.04	759555	0.81
15-11-2019	Sale	-140237	-0.15	619318	0.66
22-11-2019	Sale	-85612	-0.09	533706	0.57
29-11-2019	Sale	-11791	-0.01	521915	0.55
06-12-2019	Sale	-32042	-0.03	489873	0.52
13-12-2019	Sale	-12687	-0.01	477186	0.51
20-12-2019	Sale	-22663	-0.02	454523	0.48
27-12-2019	Sale	-30000	-0.03	424523	0.45
31-12-2019	Sale	-36107	-0.04	388416	0.41
03-01-2020	Sale	-15229	-0.02	373187	0.40
10-01-2020	Sale	-168532	-0.18	204655	0.22
17-01-2020	Sale	-26155	-0.03	178500	0.19
24-01-2020	Sale	-19075	-0.02	159425	0.17
31-01-2020	Sale	-54712	-0.06	104713	0.11
07-02-2020	Sale	-60000	-0.06	44713	0.05
20-03-2020	Purchase	11000	0.01	55713	0.06
2	IIFL SPECIAL OPPORTUNITIES FUND				
	At the beginning of the year (01-04-2019)	541051	0.58	541051	0.58
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil	Nil		
	At the end of THE YEAR (31-03-2020)	541051	0.58		
3	IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4				
	At the beginning of the year (01-04-2019)	476335	0.51	476335	0.51
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil	Nil		
	At the end of the year (31-03-2020)	476335	0.51		
4	IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2				
	At the beginning of the year (01-04-2019)	401317	0.43	401317	0.43
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil	Nil		
	At the end of the year (31-03-2020)	401317	0.43		

S. NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
5	IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5				
	At the beginning of the year (01-04-2019)	390692	0.42	390692	0.42
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
	Date	Purchase / Sale			
	28/02/2020	Sale	-1148	0.00	389544
	At the end of the year (31-03-2020)	389544	0.41		
6	IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7				
	At the beginning of the year (01-04-2019)	380440	0.40	380440	0.40
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
	Date	Purchase / Sale			
	28-02-2020	Sale	-2080	0.00	378360
	At the end of the year (31-03-2020)	378360	0.40		
7	UNION MULTI CAP FUND				
	At the beginning of the year (01-04-2019)	313247	0.33	313247	0.33
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)				
	Date	Purchase / Sale			
	10-05-2019	Purchase	5000	0.01	318247
	19-07-2019	Sale	-9539	-0.01	308708
	26-07-2019	Sale	-24127	-0.03	284581
	02-08-2019	Sale	-12018	-0.01	272563
	30-08-2019	Sale	-27333	-0.03	245230
	27-09-2019	Sale	-48078	-0.05	197152
	22-11-2019	Purchase	3981	0.00	201133
	06-12-2019	Sale	-64834	-0.07	136299
	13-12-2019	Sale	-25220	-0.03	111079
	20-12-2019	Sale	-16028	-0.02	95051
	10-01-2020	Purchase	6368	0.01	101419
	21-02-2020	Sale	-101419	-0.11	0
	At the end of the year (31-03-2020)	0.00	0.00		
8	NOMURA SINGAPORE LIMITED				
	At the beginning of the year (01-04-2019)	253702	0.27	253702	0.27
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)				
	Date	Purchase / Sale			
	31-05-2019	Sale	-43886	-0.05	209816
	21-06-2019	Sale	-12473	-0.01	197343
	28-06-2019	Sale	-1583	0.00	195760
	05-07-2019	Sale	-10000	-0.01	185760
	12-07-2019	Sale	-4846	-0.01	180914
	19-07-2019	Sale	-14937	-0.02	165977
	27-09-2019	Sale	-89757	-0.10	76220
	30-09-2019	Sale	-5250	-0.01	70970
	04-10-2019	Sale	-15651	-0.02	55319
	15-11-2019	Sale	-2320	0.00	52999
	31-01-2020	Purchase	52999	0.06	105998
	31-01-2020	Sale	-52999	-0.06	52999
	14-02-2020	Sale	-30000	-0.03	22999
	21-02-2020	Sale	-16922	-0.02	6077
	At the end of the year (31-03-2020)	6077	0.01		

S. NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING		CUMULATIVE SHAREHOLDING DURING THE YEAR		
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	
9	INDIAN RAILWAY FINANCE CORPORATION LIMITED					
	At the beginning of the year (01-04-2019)	244000	0.25	244000	0.25	
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil	Nil			
	At the end of the year (31-03-2020)	244000	0.25			
10	HDFC TRUSTEE COMPANY LIMITED - HDFC INFRASTRUCTURE					
	At the beginning of the year (01-04-2019)	236000	0.25			
	Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc.)					
	Date	Purchase / Sale				
	27-09-2019	Sale	-7000	-0.01	229000	0.24
	30-09-2019	Sale	-12300	-0.01	216700	0.23
	04-10-2019	Sale	-2800	0.00	213900	0.23
	18-10-2019	Sale	-5500	-0.01	208400	0.22
	25-10-2019	Sale	-54825	-0.06	153575	0.16
	01-11-2019	Sale	-50000	-0.05	103575	0.11
	08-11-2019	Sale	-8808	-0.01	94767	0.10
	15-11-2019	Sale	-6449	-0.01	88318	0.09
	22-11-2019	Sale	-88318	-0.09	0	0.00
	At the end of the year (31-03-2020)	0	0.00			

(IV) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

SL. NO.	SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Shri Sunil Kumar Chaudhary (Chairman and Managing Director)				
	At the beginning of the year (01-04-2019)	Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	At the end of the year (31-03-2020)	Nil	Nil	Nil	Nil
2	Shri Deepak Sabhlok (Director Projects)				
	At the beginning of the year (01-04-2019)	Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	upto 31-10-2019*	Nil	Nil	Nil	Nil
3	Shri Mukesh Kumar Singh (Director Finance and CFO)				
	At the beginning of the year (01-04-2019)	170	0.00018	170	0.00018
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	At the end of the year (31-03-2020)	170	0.00018	170	0.00018
4	Shri Yogesh Kumar Misra(Director Works)				
	At the beginning of the year (01-04-2019)	1110	0.00118	1110	0.00118

SL. NO.	SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR		
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)					
	Date	Purchase / Sale				
	6-12-2019	Purchase	10	0.00001	1120	0.00119
	14-02-2020	Sale	-820	-0.00087	300	0.00032
	At the end of the year (31-03-2020)		300	0.00032		
5	Shri Shyam Lal Gupta (Director Projects)					
	On the date of appointment (01-11-2019)		1050	0.00112	1050	0.00112
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)					
	Date	Purchase / Sale				
	24-01-2020	Sale	-131	-0.00014	919	0.00098
	31-01-2020	Purchase	131	0.00014	1050	0.00112
	07-02-2020	Sale	-410	-0.00044	640	0.00068
	14-02-2020	Purchase	410	0.00044	1050	0.00112
	06-03-2020	Sale	-491	-0.00052	559	0.00059
	At the end of the year (31-03-2020)		559	0.00059		
6	Shri S. C. Jain (Government Nominee Director)					
	At the beginning of the year (01-04-2019)		Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)		Nil	Nil		
	upto 08-05-2019#		Nil	Nil	Nil	Nil
7	Shri Piyush Agarwal (Government Nominee Director)					
	At the beginning of the year (01-04-2019)		Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)		Nil	Nil		
	At the end of the year (31-03-2020)**		Nil	Nil	Nil	Nil
8	Shri Hari Mohan Gupta (Government Nominee Director)					
	On the date of appointment (15-05-2019)^		Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)		Nil	Nil		
	At the end of the year (31-03-2020)		Nil	Nil	Nil	Nil
9	Dr. C. B. Venkataramana (Independent Director)					
	At the beginning of the year (01-04-2019)		Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)		Nil	Nil		
	At the end of the year (31-03-2020)		Nil	Nil	Nil	Nil
10	Shri Ashok Kumar Ganju (Independent Director)					
	At the beginning of the year (01-04-2019)		Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)		Nil	Nil		
	At the end of the year (31-03-2020)		Nil	Nil	Nil	Nil

SL. NO.	SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
11	Dr. Narinder Singh Raina (Independent Director)				
	At the beginning of the year (01-04-2019)	Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	At the end of the year (31-03-2020)	Nil	Nil	Nil	Nil
12	Shri Avineesh Matta (Independent Director)				
	On the date of re-appointment (15-07-2019)§	Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	At the end of the year (31-03-2020)	Nil	Nil	Nil	Nil
13	Prof (Ms.) Vasudha Vasant Kamat (Independent Director)				
	On the date of re-appointment (15-07-2019)§	Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	At the end of the year (31-03-2020)	Nil	Nil	Nil	Nil
14	Ms. Ritu Arora (Company Secretary)				
	At the beginning of the year (01-04-2019)	Nil	Nil	Nil	Nil
	Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil		
	At the end of the year (31-03-2020)	Nil	Nil	Nil	Nil

*Shri Deepak Sabhlok was superannuated on 31-10-2019

& Shri Shyam Lal Gupta was appointed to be Director (Projects) w.e.f. 01-11-2019

Shri S. C. Jain ceases to be Government Nominee Director w.e.f. 08-05-2019

^ Shri Hari Mohan Gupta was appointed as Government Nominee Director w.e.f. 15-05-2019

**Shri Piyush Agarwal ceases to be Government Nominee Director w.e.f. 31-03-2020

§Shri Avineesh Matta and Prof. (Ms.) Vasudha Vasant Kamat were re-appointed as Independent Directors w.e.f. 15-07-2019 and their tenure completed on 31-03-2020.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	30,76,53,38,171	-	30,76,53,38,171
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,72,76,88,601	-	2,72,76,88,601
Total (i + ii + iii)	-	33,49,30,26,772	-	33,49,30,26,772
Change in Indebtedness of Principal during the financial year				
- Addition	-	-	-	-
- Reduction	-	6,15,30,67,631	-	6,15,30,67,631

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Net Change	-	-	-	-
Change in Indebtedness of Interest during the financial year	-	-	-	-
- Addition	-	2,20,34,90,230	-	2,20,34,90,230
- Reduction	-	2,83,11,78,141	-	2,83,11,78,141
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	24,61,22,70,540	-	24,61,22,70,540
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,10,00,00,689	-	2,10,00,00,689
Total (i + ii + iii)	-	26,71,22,71,229	-	26,71,22,71,229

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in Rs.

SL. NO.	PARTICULARS OF REMUNERATION	NAME & DESIGNATION OF DIRECTORS					TOTAL AMOUNT
		SHRI S.K. CHAUDHARY CHAIRMAN & MANAGING DIRECTOR	SHRI DEEPAK SABHLOK DIRECTOR (PROJECTS) (UPTO 31-10-2019)	SHRI M.K. SINGH DIRECTOR (FINANCE)	SHRI YOGESH KUMAR MISRA DIRECTOR (WORKS)	SHRI SHYAM LAL GUPTA DIRECTOR (PROJECTS) (W.E.F. 01-11-2019)	
1	Gross salary						
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,88,775	44,39,607	39,64,576	36,92,921	17,03,898	1,78,89,777
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	11,42,720	9,23,402	9,81,418	7,96,202	2,45,624	40,89,366
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	31,12,090	15,38,150	26,44,608	3,11,170	-	76,06,018
-	Retirement Benefits	6,44,763	16,29,052	7,64,514	7,06,779	2,70,100	40,15,208
	Total (A)	89,88,348	85,30,211	83,55,116	55,07,072	22,19,622	3,36,00,369

B REMUNERATION TO OTHER DIRECTORS:

Amount in Rs

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS					TOTAL AMOUNT
		DR. C.B. VENKATARAMANA	SHRI ASHOK KUMAR GANJU	DR. NARINDER SINGH RAINA	PROF (MS.) VASUDHA VASANT KAMAT (W.E.F. 15-07-2019)	SHRI AVINEESH MATTA (W.E.F. 15-07-2019)	
1	Independent Directors						
a)	Fee for attending board & committee meetings	7,10,000	7,00,000	70,000	2,40,000	3,00,000	20,20,000
b)	Commission	-	-	-	-	-	-
c)	Others, please specify	-	-	-	-	-	-
	Total (B1)	7,10,000	7,00,000	70,000	2,40,000	3,00,000	20,20,000

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS			TOTAL AMOUNT
		Shri S. C. Jain (upto 08-05-2019)	Shri Piyush Agarwal	Shri Hari Mohan Gupta (w.e.f 15-05-2019)	
2.	Other Non-Executive Directors				
a)	Fee for attending board & committee meetings	-	-	-	-
b)	Commission	-	-	-	-
c)	Others, please specify	-	-	-	-
	Total (B2)	-	-	-	-
	Total (B= B1+B2)				20,20,000
	Total Managerial Remuneration (A+B)				3,56,20,369
	Ceiling as per the Act - Not Applicable				

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

SL. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL	
		MS. RITU ARORA COMPANY SECRETARY	TOTAL
1.	Gross salary		
(a)	Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	22,42,780	22,42,780
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	27,812	27,812
(c)	Profits in lieu of salary under section 17 (3) Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	Others, please specify		
	- Performance linked incentive	4,72,100	4,72,100
	- Retirement Benefits	3,11,159	3,11,159
	Total (C)	30,53,851	30,53,851

*CMD (IRCON) is deemed to be CEO of the Company; and DF (IRCON) is declared as CFO of the Company and their remuneration is mentioned in Sl. No. VI (A) above.

Note: Section 197 of the Companies Act, 2013, is exempted for government companies in terms of notification dated 5th June 2015 of the Ministry of Corporate Affairs.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING OF OFFENSES	AUTHORITY (RD/NCLT/ COURT)	APPEAL MADE, IF ANY (GIVE DETAILS)
A. Company					
Penalty					
Punishment			NIL		
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers in default					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board of Directors

Sd/-

(S. K. Chaudhary)

Chairman & Managing Director
(DIN: 00515672)

Date: 25.08.2020
Place: New Delhi

FORM NO. AOC 2

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

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

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 CRORES)
1.	Mahanadi Coal Railway Limited (MCRL) A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings *	Date: Project Execution Agreement dated 19.04.2016 Duration: 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 : ₹0.98 crore
2.	Jharkhand Central Railway Limited (JCRL) A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings *	Date: Project Execution Agreement dated 28.03.2016 Duration: 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
3.	Chhattisgarh East Railway Limited (CERL) A Joint Venture Company	Execution of East Corridor Rail Project in Chhattisgarh for CERL	Date: Project Execution Agreement dated 18.01.2014 Duration: 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 : ₹3.67 crore
4.	Chhattisgarh East-West Railway Limited (CEWRL) A Joint Venture Company	Execution of East-West Corridor Rail Project in Chhattisgarh for CEWRL	Date: Project Execution Agreement dated 05.04.2014 Duration: 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 : ₹9.17 crore
5.	Bastar Railway Private Limited (BRPL) A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings *	Date: Project Execution Agreement has been entered on 19.07.2017 Duration: 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 : ₹0.26 crore
6.	Indian Railway Stations Development Corporation Limited (IRSDC) A Joint Venture Company	a). Sub-Leasing of office premises at Palika Bhawan, Sector- XIII, R.K. Puram, New Delhi – 110066.	Date: Lease Agreement dated 29.10.2018. (Renewal) Duration: 11 months from 01.11.2018 to 30.09.2019	Lease Rent @ 6192.99 sq. ft X ₹135.28 per sq. ft. chargeable on monthly basis ₹8,37,788/- including GST as applicable.	Not Applicable	Nil

SI. 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 CRORES)
		b). Memorandum of Agreement (MOA) between IRCON and IRSDC for Redevelopment of specified Railway Stations	Date: MOA dated 30.08.2019 Duration: MOA shall be enforceable till completion of all the allocated Project(s) including defect liability period or until termination / foreclosure of the services, whichever is earlier	IRCON has been awarded the works of Project Management Consultants (PMC) and shall be entitled for fees of @ 5.8% plus GST of the Project Cost(s). The Project Cost comprises of the construction cost of the mandatory works (station redevelopment) sanctioned by IRSDC either on PPP/EPC/BOQ mode and managed and supervised by PMC as per the agreed phasing plan. In case real estate / commercial development / trunk infrastructure works are taken up on EPC/BOQ mode, the same shall also form part of the Project Cost. In case project undertaken on PPP framework, IRSDC may offer bonus (payable by Selected Bidder / Developer) over and above the agreed fees @ 0.2% of Lease Premium received after deducting cost of mandatory work subjects to maximum of ₹3 crore per project.	Not Applicable	Nil
7.	Ircon-Soma Tollway Private Limited (ISTPL) A Joint Venture Company	Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date: Lease Agreement dated 30.04.2019 (renewal) Duration: 2 years from 01.04.2019	Lease Rent @ 95.41 sq. ft X ₹297 per sq. ft. chargeable on monthly basis ₹28,336.72/- plus GST considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil
8.	Ircon Infrastructure & Services Limited (IrconISL) A wholly owned subsidiary Company	a). Manpower for IRCON's project in Malaysia	Date: Agreement dated 1.04.2013 Duration: 2 years from the date of signing. [unless terminated by either party with prior 30 days written notice, this agreement will remain valid for 2 years. Unless either party so notifies the other of the termination of this agreement, it shall be renewed every 2 years]	The rates for provision of various categories of manpower stipulated in the Agreement are comparable with those charged by manpower supply agencies for international projects for similar type of manpower.	Not Applicable	Nil
		b). Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017	Date: Lease Agreement dated 30.04.2019 (renewal). Duration: 2 years from 01.04.2019.	Lease Rent @ 497.18 sq. ft X ₹297 per sq ft chargeable on monthly basis ₹1,47,662.46/- plus GST, considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil

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c).	Manpower for IRCON's project in Kolkata		<p>Date: Agreement dated 25.03.2019</p> <p>Duration: 1 year from 01.01.2019. [unless terminated by either party with prior 30 days written notice, this agreement will remain valid for 1 year. Unless either party so notifies the other of the termination of this agreement, it shall be renewed further for every 1 year]</p> <p>Renewal: The agreement has been extended till 08.01.2021 with effect from 09.01.2020 on the same rate and terms & conditions.</p>	<p>IrconISL would be paid fee of ₹56,124/- plus GST as applicable per 'General Consultant' (category of designated personnel/ Post) to IRCON's Kolkata Project.</p> <p>The consideration payable to IrconISL directly or indirectly shall remain constant for the period of the agreement and shall not be subjected to any escalation clause unless specifically reduced in writing by both the parties.</p>	Not Applicable	Nil
d).	Manpower for IRCON's project in Algeria		<p>Date: Agreement dated 26.03. 2019</p> <p>Duration: 2 years from the date of LOA i.e. 01.10.2017.[unless terminated by either party with prior 30 days written notice, this agreement will remain valid for 2 years from the date of LOA i.e. 01.10.2017. Unless either party so notifies the other of the termination of this agreement, it shall be renewed further for 1 year]</p> <p>Renewal: The agreement has been extended till 30.09.2020 with effect from 01.10.2019 on the same rate and terms & conditions</p>	<p>IrconISL would be paid fee @ 1450 USD per CM Operator (category of designated personnel/ Post) to IRCON's Algeria Project.</p> <p>The consideration payable to IrconISL directly or indirectly shall remain constant for the period of the agreement and shall not be subjected to any escalation clause unless specifically reduced in writing by both the parties.</p>	Not Applicable	Nil
e).	Duomatic on Line Track Tamper Model Plasser Heavy Duty Track Tamper 08-32C MA No. 6013 (Double Header) to IRCON for CERL project		<p>Date: Agreement dated 20.07.2019</p> <p>Duration: The duration of work shall depend upon final program and planning. This Agreement shall be effective initially for a period of 6 (six) months from the date of commissioning of Machine in CERL Project i.e. 20.02.2019. The period may be extended at same terms & conditions at the discretion of IRCON/ CERL with the prior written notice of 30 days.</p>	<p>IrconISL would be paid monthly hire charges of ₹47,000/- per kilometer (plus GST) after deducting the cost of lubricants, hydraulic oils and spares.</p>	Not Applicable	Nil

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f).	Maintenance of track between Kharsia & Korichhapar newly laid BG section		Date: Agreement yet to be entered Duration: 6 months from 12.10.2019	IRCON's margin of 9% on the bills of subcontractor engaged by IRCON.	Not Applicable	Nil
g).	Duomatic (On Line Track Tamper Model Plasser Heavy Duty Track Tamper 08-32C MA No. 6013 Double Header) to IRCON Patna (Kiul-Gaya Doubling Project and Hajipur-Bachwara Doubling Project)		Date: Agreement dated 16.12.2019 Duration: The duration of work shall depend upon final program and planning. This machine hiring agreement shall be effective for initially for a period of one year from the date of Commissioning of Machine at Kiul-Gaya Doubling Project i.e.16.10.2019. The period may be extended at same terms & conditions at the discretion of IRCON/Patna (Kiul-Gaya Doubling Project) with the prior written notice of 30 days. Addendum 1 entered on 22.01.2020	IrconISL would be paid monthly hire charges of ₹19,40,000/- (plus GST) including idling days in a month due to breakdown/ maintenance of machine, hire charges will be derived on pro-rata basis. There will be yearly enhancement of hire charges @10% from the date of hiring. Addendum No. 1 of this Agreement has been executed for change in IRCON's scope i.e. the movement of machine from one project to other will be sole responsibility of IRCON and the transportation charges if any will be paid and borne by IRCON.	Not Applicable	Nil
h).	Re-development of Railway Stations		Date: MOU entered on 30.12.2019 Duration: MOU shall be enforceable till completion of all the allocated Project(s) including defect liability period or until termination / foreclosure of the services, whichever is earlier.	IrconISL has been awarded to work of Re-development of Railway Stations for a fees @ 5.22% plus GST of the Project Cost with other terms and condition including payments terms and stages of payment co-terminus with Memorandum of Agreement (MOA) signed between IRCON and IRSDC on 30.08.2019.	Not Applicable	Nil
i).	Manpower for IRCON's project in Bangladesh.		Date: Agreement dated 22.05.2020 Duration: 1 year from the date of joining of Designated Employees LOA i.e. 07.02.2020. [Unless terminated by either party with prior thirty (30) days written notice. Unless either parties so notifies other of the termination of this agreement, it shall be renewed further for every one year]	IrconISL has agreed to provide Manpower for fee Four Work Engineers (Civil) for a salary of USD 1,215 per Employee, with IrconISL margin of USD 182.25 per Employee. Total consideration payable to IrconISL is USD 1,397.25 per Employee. The consideration payable to IrconISL directly or indirectly shall remain constant for the period of the agreement and shall not be subjected to any escalation clause unless specifically reduced in writing by both the parties.	Not Applicable	Nil

SI. 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 CRORES)
9.	Ircon Davanagere Haveri Highway Limited (IrconDHHL) A wholly owned subsidiary Company	a). Engineering Procurement Construction (EPC) contract of Davanagere Haveri Highway Project for IrconDHHL	Date: EPC Agreement dated 04.01.2018 Duration: Completion period is 30 months from Appointed date or handing over of land by Ircon DHHL which ever is later	The contract has been awarded to execute six- laning of Davangere-Haveri from km 260+000 to km 338+923 of NH-48 (old NH-4) in the State of Karnataka for a total sum of ₹916.93 crores plus GST @12%.	Not Applicable	Repayment of Advances : ₹58.86 crore
		b). Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	Date: Lease Agreement dated 09.08.2018 Duration: 3 years w.e.f. 15.05.2018	Rent: Lease Rent @ 65 sq. ft X ₹297/- per sq ft chargeable on monthly basis ₹19,305/- plus GST considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil
10.	Ircon PB Tollway Limited (IrconPBTL) A wholly owned subsidiary Company	a). EPC Contract and five Addendums to EPC Agreement (These addendums would be forming part of original EPC agreement)	Date: EPC Agreement dated 19.01.2015 Duration: EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconPBTL, whichever is later. a) Addendum 1 entered on 12.06.2015 b) Addendum 2 entered on 29.03.2016 c) Addendum 3 entered on 05.08.2016 d) Addendum 4 entered on 06.07.2017 e) Addendum 5 entered on 05.04.2019	Addendum No. 1,2,3,4 to EPC Agreements have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of ₹646 crore. Addendum No. 5 to EPC Agreements has been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of ₹767.48 crore.	Not Applicable	Nil
		b). Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017	Date: Lease Agreement dated 22.06.2018 and 10.06.2020 (Renewal) Duration: 3 years w.e.f. 01.04.2018	Rent: Lease Rent @ 65 sq. ft X ₹297/- per sqft chargeable on monthly basis ₹19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil
11.	IrconShivpuri Guna Tollway Limited (IrconSGTL) A wholly owned subsidiary Company	a). EPC Contract and two Addendums to EPC Agreement (These addendums would be forming part of original EPC agreement)	Date: EPC Agreement dated 30.11.2015. Duration: EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconSGTL a) Addendum 1 entered on 29.03.2016 b) Addendum 2 entered on 22.07.2016	Addendum No. 1,2 to the EPC Agreement have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of ₹642 crore.	Not Applicable	Nil

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		b). Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017	Date: Lease Agreement dated 27.06.2018 Duration: 3 years w.e.f. 01.07.2018	Rent: Lease Rent @ 65 sq. ft X ₹297/- per sqft chargeable on monthly basis ₹19,305/- plus GST considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil
12.	Ircon Vadodara Kim Expressway Limited (IrconVKEL) A wholly owned subsidiary Company.	a). EPC Contract and two Addendums to EPC Agreement (These addendums would be forming part of original EPC agreement)	Date: EPC Agreement dated 09.11.2018 Duration: Completion period is 730 days reckoned from Appointed Date a) Addendum 1 entered on 10.08.2019 b) Addendum 2 entered on 03.01.2020	The contract has been awarded for construction of eight lane Vadodara Kim Expressway from 323 km to 355 km in the state of Gujarat on EPC basis for a total sum of ₹1377.73 crores plus GST @12%. Addendum No. 1,2 to the EPC Agreement have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of ₹1377.73 crore plus GST @12%.	Not Applicable	Advance Received : ₹153.56 crore Repayment of Advance : ₹62.07 crore
		b). Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017	Date: Lease Agreement dated 09.08.2018 Duration: 3 years w.e.f.17.05.2018	Rent: Lease Rent @ 65 sq. ft X ₹297/- per sqft chargeable on monthly basis ₹19,305/- plus GST considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	Nil

* IRCON will be undertaking Feasibility Study and preparation for DPR for projects assigned to it rates 1% and 2% of project cost respectively.

Note:

- Apart from above said transactions, other transactions, etc. entered with related parties are as follows:
 - The Company has also deputed its employees to wholly owned subsidiary company / joint venture companies. Deputation of employees is on actual cost (CTC) basis.
 - The salary, benefits (like PF, GIS, Society deduction, related payments, etc.) and other miscellaneous payment in nature of travelling / ticket cost etc. paid to such deputed employees as per IRCON's policy are reimbursed on actual basis
 - Miscellaneous expenses such as advertisement cost, travelling cost, etc. incurred on behalf of subsidiaries and joint venture companies are reimbursed on actual basis.
- All the above said transactions have been approved by the Audit Committee of IRCON
- In addition to above transactions, an amount of ₹45 crore is lying against advance received from ISTPL towards arbitration claims.
- 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 year.

FORM NO. MR-3

Secretarial audit report For the financial year ended on 31st march, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.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, **31st March, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020**, according to the provisions of:

- (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 applicable)**;
- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **[Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the financial year under review]**;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review]**;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review]**; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review]**;

- (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

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. In our opinion, there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. 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.
- iv. 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 except to the extent as mentioned below;

The Company did not have:

1. **Requisite number of Independent Directors on its Board as required under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.**
2. **Woman Director on its Board as required under Section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of SEBI (LODR) Regulations, 2015 from 1st April, 2019 to 14th July, 2019.**

We further report that:

- » The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 except that the Company has not been able to appoint requisite number of Independent Directors and Woman Director as required under the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015 as mentioned above. BSE and NSE had levied monetary fine(s) for non-compliance with Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarters ended 30th June 2019, 30th September 2019 and 31st December, 2019. Clarification has been sought by NSE regarding non-compliance with provisions pertaining to board composition for the quarter ended 31st March, 2020. IRCON has submitted to the stock exchanges that they should not be held liable to pay the fine and the same is not applicable on the Company on account of the fact that the appointment of directors in a Government Company is done by the Government of India. The listed entity has no role to play for appointment of Independent Directors unless nominated by the Government. The listed entity has already made request from time to time to the administrative ministry (i.e. Ministry of Railways) for appointment of requisite number of Independent Directors (including woman Director) on the Board of IRCON in order to ensure compliance and the same is under process.
- » Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all 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.
- » Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the shareholders of the Company has approved

1. Splitting of the Company's one (1) equity share of face value of ₹10/- each into five (5) equity shares of face value of ₹2/- each and accordingly,
2. Amendment of the Capital Clause in the Memorandum of Association of the Company.

For Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
UDIN: F001807B000459055

Place: Noida
Date : 15.07.2020

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.

Annexure A

To,
The Members
IRCON INTERNATIONAL LIMITED
CIN: L45203DL1976GOI008171
Plot No. C-4, District Centre, Saket
New Delhi-110017

Our Secretarial Audit Report for the financial year ended 31st March, 2020 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the situation emerging out of the outbreak of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended 31st March 2020 and the documents/information required by us were provided through electronic Mode.

For Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807; C P No.: 14984
PR: 610/2019
UDIN: F001807B000459055

Place: Noida
Date : 15.07.2020

**REPLIES TO THE OBSERVATIONS CONTAINED IN THE SECRETARIAL AUDIT
REPORT AND COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
FOR THE YEAR 2019-20**

Sl. No	Observations contained in the Secretarial Audit Report 2019-20	Management Reply
1.	Requisite number of Independent Directors on its Board as required under Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.	The Directors including Independent Directors in a Government Company are appointed by the Government of India. The Company has already requested to the Ministry of Railway, Government of India for appointment of requisite number of Independent Directors on the Board. The Company has no role to play for appointment of Independent Directors unless nominated by the Government.
2.	Woman Director on its Board as required under Section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of SEBI (LODR) Regulations, 2015 from 1 April, 2019 up to 14 July, 2019.	The tenure of appointment of Woman Independent Director ended on 31.03.2019. The Company had from to time requested the Ministry of Railway, Government of India for appointment of requisite number of Independent Directors (including women Director) on the Board. The re-appointment of the woman Independent Director was made by the Ministry of Railways vide order dated 11th July 2019 (which was received on 15th July 2019).

For and on behalf of the Board of Directors

Sd/-
S. K. Chaudhary
Chairman & Managing Director
(DIN: 00515672)

Date : 25.08.2020
Place: New Delhi

DIVIDEND DISTRIBUTION POLICY

1. Background

- 1.1. Securities Exchange Board of India (SEBI) vide its notification dated 8th July, 2016 has inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (second amendment) which requires top five hundred listed entities based on market capitalisation (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in their annual reports and on their websites.
- 1.2. The intent of the policy is to broadly specify the following 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 utilized.

The Company strives for maximisation of shareholders' value and believes that this can be attained by driving growth. The policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for the growth of the Company and other needs.

This Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration the interest of the Company and all the relevant circumstances enumerated in the policy or other factors as may be decided as relevant by the Board.

2. Policy Framework

The policy has been framed broadly in line with the provisions of the Companies Act, 2013 and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI Regulations and other guidelines, to the extent applicable.

3. Factor to be considered while declaring Dividend

- 3.1 Financial Parameters that shall be considered while declaring dividend

IRCON being a Central Public Sector Enterprise has to comply with the guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by DIPAM, Govt. of India on 27.05.2016.

- 3.2 Internal and External factors that shall be considered for declaration of dividend

3.2.1 Internal Factors

The Board while considering declaration of dividend for a financial year may, inter-alia, consider the following factors while taking into account the nature and scale of

company's operations:

- a. Profit upto the Quarter/ for the financial year
- b. Available balance in the Free Reserves of the Company
- c. Dividend payout trend of the Company and the industry
- d. Future business projections and operational requirements
- e. Stability of earnings and projections of future profits
- f. Operating cash flows, treasury positions and operational requirements
- g. Borrowing levels and the capacity to borrow
- h. Present and Future Capital expenditure plans of the Company
- i. Additional investments in Subsidiaries/ Joint Ventures and Associates of the Company
- j. Providing for unseen events and contingencies which has financial implications.
- k. Any other factor as may be deemed fit by the Board.

3.2.2 External Factors

- a. Economic Environment and Business Environment: Macro Economic conditions including present and likely business scenario will be considered while declaration of dividend in any year.
- b. Status of Industry: Prevailing conditions in the Industry in which the Company operates will also be considered while taking decisions regarding declaration of dividend.
- c. Statutory Provisions and Guidelines: The Company shall ensure compliance to the provisions of Companies Act & regulations of SEBI and other Statutory Authorities with regard to declaration of dividend. Further, being a Government Company, the Company shall also consider the applicable guidelines in force in respect of dividend declaration, as issued from time to time by the Govt. of India or by any other statutory bodies.
- d. Applicable taxes including tax on dividend: The taxes applicable on the company including taxes on dividends that effect overall cash outflow.

- 3.3 Circumstances under which the shareholders of the Company may or may not expect dividend:

Distribution of profits in the form of dividends and retaining some proportion of it for use in business for other objectives is a fundamental decision for every company. This decision

requires adequate balancing between suitably rewarding shareholders through dividends and retaining profits to fund the operational requirements and growth plans of business. Although the Company has been consistently paying out dividends to its shareholders and they can reasonably expect it in future also unless the Company is constrained not to declare dividends under following circumstances:

- a. Absence or Inadequacy of profits- If during any financial year, there are no profits or it is determined that the profits of the Company are not sufficient, the Board may decide not to declare dividends for that financial year.
- b. Other constraints- Crucial factors like limited/ non- availability of cash resources, limitations due to future cash flow projections, emergent needs requiring significant resources, unstable business and profit projections etc and any other statutory factors as considered by the Board while arriving at the decision not to declare dividends for that financial year.

4. Utilization of Retained Earnings

The retained earnings of the company, shall be continued to be deployed in infrastructure creation and expansion of the business of the Company. The decision of utilization of the retained earnings of the Company shall be based on the factors like Strategic and Long-term plans of the Company, diversification, Government guidelines with regard to issue of bonus, buy-back and any other criteria which the Board of the Company may consider appropriate. Therefore, retained earnings shall be utilized in a manner which will enhance value of all its shareholders in a sustainable manner.

5. Parameters to be adopted with regard to various classes of shares

Company has presently only one class of shares i.e. Equity Shares and all the members of the Company on the record date are entitled to receive the same

amount of dividend declared per share. As and when it proposes to issue any other class of shares, the policy shall be modified accordingly.

6. The Policy shall not apply to:

- Distribution of dividend in kind i.e. by issue of bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to dividend payment by way of buyback of equity shares etc.

7. Amendment

The Board of Directors may review or amend this policy, in whole or in part, as it may deem fit or in accordance with the guidelines as may be issued by SEBI.

However, any amendment in the Policy required in compliance with the Listing Regulations or any statutory enactment, Chairman & Managing Director of the Company is empowered to approve such amendment.

8. Disclosures:

- 8.1. Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element of the Policy, will be disclosed in the Annual Report as well as on the website of the Company.
- 8.2. The Change in the policy shall however, be disclosed along with the justification thereof on the Company's Website and in the ensuing Annual Report in accordance with the extant regulatory provisions.
- 8.3. In the event of the policy being inconsistent with any regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed to be amended accordingly from the effective date of such provision.

Standalone Financial Statements 2019-20

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 standalone Ind AS financial statements of IRCON INTERNATIONAL LIMITED ('the company') which comprise the Balance Sheet as at 31st March 2020, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year 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 Northern Region, J&K region, Eastern Region, Patna Region, Mumbai Region, Algeria, Bangladesh & Sri Lanka Region.

We have audited the financial statements of the 2 (two) foreign branches situated at South Africa, and Malaysia for the year ended 31st March 2020. However, we have not visited any foreign branch and the relevant information for the audit purpose were 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 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 March 31, 2020, 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 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 Standalone financial Statements.

Emphasis of Matter

We invite attention to Note No. 46 of the Standalone Financial Statements which describes the impact of Covid-19, a global pandemic, on the operations and financial matters of the company.

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.

Key Audit Matter	How our audit addressed the matter
<p>a) Lease Recognition in terms of Ind AS 116 "Leases"</p> <p>The Company has adopted Ind AS 116 "Leases" in the current year replaces Ind AS 17 "Leases". The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a major amount of lease agreement with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116). • Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. • Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities. • Upon transition as at 1 April 2019: <ul style="list-style-type: none"> ➤ Evaluated the method of transition and related adjustments.

Key Audit Matter	How our audit addressed the matter
<p>payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>For details refer Note 42 to the Standalone Ind AS Financial Statements.</p> <p>b) System Environment and internal Controls</p> <p>The Company is having SAP system in place but for the foreign projects they are using the Tally system for preparing the financial statement of the foreign projects.</p> <p>FI-CO module is working since 2012-13 with its limited functionalities with no integration support from any other system like payroll, inventory etc. 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>	<ul style="list-style-type: none"> ➤ Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> ➤ assessed the key terms and conditions of each lease with the underlying lease contracts; and ➤ evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. • Assessed and tested the accounting policy, presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition. <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • 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. • Testing the design of the key IT controls relating to financial reporting systems of the company. • We also tested the company's controls around system interfaces, and the transfer of data from one system to another. • We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.

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 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.

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

- The opinion expressed in the present report is based on the information, facts and inputs made available to us through electronic means by the company. We wish to highlight that due to the COVID 19 induced restrictions on physical movement and strict timelines, the audit teams could not visit the project offices of the company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing.
- We did not audit the financial statements / financial information of 8 (Eight) branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect Total Assets of ₹6,386.80 Crores (Previous Year

₹6,410.91 Crores) as at 31st March 2020, Total Revenues of ₹ 5,211.55 Crores (Previous Year ₹ 4,226.56 Crores) and Total PBT of ₹ 374.29 Crores (Previous Year ₹ 336.64 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 ₹ 0.18 Crores (Previous Year ₹ 3.13 Crores) profit (net), the company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants.

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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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.

(e) 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 Rule 7 of the Companies (Accounts) Rules, 2014.

(f) 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 5th June 2015, issued by the Central Government of India.

(g) 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**".

(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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 39 to the standalone Ind AS financial statements;

ii. 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.

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

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

Sl.No.	Directions	Auditor's Replies
(i)	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 has SAP / Tally system to process all the accounting transactions. For details refer Key Audit Matter on "System environment and internal controls" and our opinion on Internal Financial Control as per Annexure B of Independent Audit Report.

Sl.No.	Directions	Auditor's Replies
(ii)	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.	No, Company is having no case of 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
(iii)	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and as per our examination of records, no funds have been received/receivable for any specific schemes from central/ state agencies during the financial year 2019-20.

For K. G. Somani & Co.
Chartered Accountants
Firm Registration No: 06591N

Sd/-
(Bhuvnesh Maheshwari)
Partner
Membership No: 088155
UDIN: 20088155AAAAFB2819

Place: New Delhi
Date: 10th July 2020

"Annexure A" to the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements of Company for the year ended 31st March, 2020

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. In Mumbai Region, asset register needs to be updated with regards to situation of fixed assets, tagging/numbering to be done on fixed assets and assets with third parties needs to be confirmed.
- b) The fixed assets 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) The title deeds of immovable properties are held in the name of the Company, except lease hold building at San Martin Marg, New Delhi Pali Hill, Mumbai and Metro Railway Central Station Building, Kolkata. Documents for the same are yet to be executed.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on comparison of physical verification with book records were not material and have been properly dealt with in the books of account. Physical verification is not carried out on 31.03.2020, however the same have been carried out after 31.03.2020 but before the finalization of books of account.
- iii. According to the information and explanation given to us by the management and records produced, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security; the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. According to the information and explanations given to us, and as per our examination of records, the Company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable.
- vi. The Company has maintained cost records as required under section 148(1) of the Companies Act, 2013. However, we are neither required to carry out, nor have carried out any detailed examination of such accounts and records.
- 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 31.03.2020 for a period of more than six months from the date the same become payable except balances outstanding under Sales Tax payable of Rs. 8.43 Crores, VAT Payable of Rs. 4.13 Crores and GST Payable of Rs. 0.45 Crores as reported by Northern Region and TDS demand under Income Tax Act, 1961 raised on TRACES portal of Rs.0.06 Crores as reported by Mumbai Region of the company.
- b. According to information and explanation given to us, and as per our examination of records of the Company, following are the particulars of dues on account of sales tax, GST, service tax, entry tax, trade tax, income tax, duty of customs, royalty, provident fund, duty of excise and cess matters that have not been deposited on account of dispute as on 31.3.2020.

Sr No.	Name of the statute	Name of Disputed Dues	Amount Outstanding (₹ in Crores)*	Period (A.Y.)	Forum where dispute is pending
1	Sales Tax	Sales Tax-AGRP	2.25	2007-08 to 2012-13	The Additional Commissioner, Commercial Taxes, Ghaziabad
2	Sales Tax	Entry Tax- AGRP	0.043	2008-09 to 2013-14	The Additional Commissioner, Commercial Taxes, Ghaziabad

Sr No.	Name of the statute	Name of Disputed Dues	Amount Outstanding (₹ in Crores)*	Period (A.Y.)	Forum where dispute is pending
3	Sales Tax	UP Trade Tax-Noida Expressway	0.33	2003-04	The Additional Commissioner Appeal, Noida
4	Sales Tax	UP TRADE TAX - UP 01	3.89	2004-05 to 2007-08	The Assessing Authority
5	Sales Tax	UPTT-UP-01 (Entry Tax)	0.16	2007-08	The Assessing Authority
6	Sales Tax	UPVAT ACT-UP-01	3.41	2007-08 & 2008-09	The Appellate Authority
7	Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.15	2007-08 to 2009-10	The Appellate Authority
8	Sales Tax	UPVAT ACT-UP-01	0.01	2010-11	The Deputy Commissioner
9	Sales Tax	Sales Tax-BE-08	0.26	2007-08 to 2009-10	The Additional Commissioner Appeal, Noida
10	Sales Tax	Sales Tax-BE-08 Entry Tax	0.003	2014-15	The Additional Commissioner Appeal, Noida
11	Sales Tax	UPTT-UP-05	1.31	2006-07 to 2007-08	Tribunal Jhansi Bench
12	Sales Tax	UPTT-UP-05	0.01	2005-06	High Court Allahabad
13	Sales Tax	UPVAT-UP-05	3.27	2007-08 to 2009-10	Tribunal Jhansi Bench
14	Sales Tax	UPVAT-UP-05	1.55	2013-14	Dy. Commissioner Sales Tax Authority, Orai
15	Sales Tax	Sales Tax 2005-06 Godhra	1.90	2005-06	Dy. Commissioner Sales Tax Authority, Vadodara
16	Sales Tax	Sales Tax 2010-11- GED	0.05	2010-11	Asst Commercial Tax Officer, Margoa
17	Uttar Pradesh VAT Act,2008	Demand raised for sales tax	0.08	1982-83 and 1989-90	Appellate Authority, Jhansi
18	Sales Tax Rewari - Ajmer Project	Works Contract Tax	1.84	2006-07 to 2010-11	High Court Rajasthan
19	Sales Tax	Sales Tax GED GOA	0.50	2011-12 to 2014-15	Asst Commercial Tax Officer, Margoa
20	VAT	Demand Raised	4.71	2011-12 to 2015-16	Deputy Commissioner, Lucknow
21	Sales Tax	Demand Raised	1.19	2006-07	VAT Tribunal Chandigarh
22	Jammu & Kashmir GST Act, 1962	Sales Tax	19.33	1999-00 to 2005-06	J&K High Court, Jammu and Deputy Commissioner Commercial Sales Taxes (appeals), Srinagar
23	Income Tax	Assessment Demand by DCT	8.04	AY 2016-17	Appeal filed before CIT(A)
24	Sales Tax -MRO	Sales Tax - MRO	3.51	1995-96 & 1996-97	Bombay High Court
25	Karnataka VAT	Difference in rate of tax and levy of interest thereon	0.50	2009-10	Deputy ` Commissioner (appeals), Trivandrum
26	Sales Tax- MRO	Sales Tax - MRO	3.97	2010-11 & 2011-12	Sales Tax Office, Mumbai
27	Kerala VAT	Kerala VAT	1.17	2013-14 & 2014-15	Asst. Commissioner, Commercial Tax
28	Sales Tax	Sales Tax, Maharashtra	42.53	2007-08	Sales Tax Office, Mumbai

Sr No.	Name of the statute	Name of Disputed Dues	Amount Outstanding (₹ in Crores)*	Period (A.Y.)	Forum where dispute is pending
29	Bihar Sales Tax 1981	Sales Tax	1.75	1987-88 and 1994-95	Bihar Sales Tax Tribunal, Khalgaon
30	Odisha VAT Act 2004	VAT	1.09	2002-03	Comm of Sales Tax, Odisha
31	West Bengal State Sales Tax Act 1994	Sales Tax	0.26	1998-99	Sr. Jt Commissioner (Appeals), Sales Tax, West Bengal
32	West Bengal VAT Act 2003	VAT	1.80	2004-05, 2016-17 & 2017-18	Asst. Comm. Of Sales Tax College St. Charge, Kolkata
33	Service Tax	Service Tax on Agency Fees	12.91	2010-11 to 2014-15	CESTAT
34	Service Tax	Service Tax on Agency Fees	5.60	2009-10 to 2013-14	CESTAT
35	Service Tax	Service Tax on Agency Fees	2.05	2016-17 to 2017-18	CESTAT
36	Bihar VAT Act	VAT TDS	5.98	2005-06 and 2006-07	Bihar VAT Department, We Circle Patna
37	Bihar VAT Act	VAT	0.07	2010-11	Bihar VAT Department, West Circle Patna
38	Bihar VAT Act	VAT	29.20	2012-13	Bihar VAT Department, West Circle Patna
39	Central Excise Act, 1944	Levy of Excise Duty on Bracket/ Cantilever Assemblies	0.66	1998-99	CESTAT (Dept. Appeal)
40	UP VAT Act	Demand for Sales Tax	0.61	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
41	UP VAT Act	Demand for Sales Tax	8.96	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
42	UP VAT Act	Demand for Sales Tax	117.63	2012-13 to 2016-17	Addl. Commissioner Grade-2 (Appeal), Lucknow

*As complied by the management and relied upon by us.

- viii. The Company has not defaulted in the repayment of loans or borrowings to any financial institution, banks, Government during the year. The company did not issue any debenture during the year.
- ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, as informed to us term Loans were applied for the purposes for which those were raised. However, no fresh term loan has been raised during the year. Accordingly, the provisions of paragraph 3 (ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In view of the Government Notification No. GSR 463 (E) dated 5th June, 2015, government companies are exempt from the applicability of section 197 of the Companies Act, 2013. Accordingly, clause 3(xi) of the order is not applicable to the Company.
- xii. The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.

- xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. However, in respect to the lease agreement entered in previous year with IRSDC Ltd. for which post facto approval has been taken by the Board during the year.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him, within the provisions of section 192 of the Companies Act, 2013.
- xvi. The Company is not a Non-banking finance company, hence registration under section 45- IA of the Reserve Bank of India Act, 1934 does not arise.

For K. G. Somani & Co.
Chartered Accountants
Firm Registration No: 06591N

Sd/-
(Bhuvnesh Maheshwari)
Partner
Membership No: 088155
UDIN: 20088155AAAAAFB2819

Place: New Delhi
Date: 10th July 2020

"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, 2020

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 March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control 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 March 31, 2020, "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 31.03.2020 based on our audit and reported by the branch auditors

- (a) The Company has an integrated ERP system which was not used at its full potential. Salary is processed from SQL server rather than SAP. In the foreign projects the company has not used ERP system for the preparation of financial accounts instead software "Tally" was used for the same. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- (b) The Inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/non-moving/ broken assets and material/stores needs to be strengthened.
- (c) System of reconciliation of GST ITC in form GSTR 2A with books of account needs to be strengthened in some of the projects. So as to ensure that all amount paid by the company to their respective suppliers/service providers is being duly deposited in Govt. account by them.

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 a branches/ Region, 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, 2020 and these areas do not affect our opinion on the Standalone financial statement of the company.

For K. G. Somani & Co.
Chartered Accountants
Firm Registration No: 06591N

Sd/-
(Bhuvnesh Maheshwari)
Partner

Membership No: 088155
UDIN: 20088155AAAAFB2819

Place: New Delhi
Date: 10th July 2020

STANDALONE BALANCE SHEET

As at 31st March 2020

(₹ in crore)

Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
I. ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	270.64	128.19
(b) Capital Work-in-Progress	4	0.66	48.06
(c) Investment Property	5	489.02	477.61
(d) Intangible Assets	6	0.40	0.90
(e) Intangible Assets under Development	6	9.79	-
(f) Right-of-use Assets	7	5.17	-
(g) Financial Assets	8		
(i) Investments	8.1	1,468.52	1,214.50
(ii) Loans	8.2	1,409.68	995.81
(iii) Others	8.3	2,002.24	2,707.64
(h) Deferred Tax Assets (Net)	9	93.68	144.62
(i) Other Non-Current Assets	10	129.60	155.91
Total Non-Current Assets		5,879.40	5,873.24
2 Current Assets			
(a) Inventories	11	320.66	331.94
(b) Financial Assets	12		
(i) Investments	12.1	-	99.73
(ii) Trade Receivables	12.2	559.34	505.14
(iii) Cash and Cash Equivalents	12.3	769.04	875.24
(iv) Other Bank Balances	12.4	1,731.84	2,038.94
(v) Loans	12.5	62.80	74.94
(vi) Others	12.6	1,707.43	1,636.44
(c) Current Tax Assets (Net)	13	7.02	31.97
(d) Other Current Assets	14	1,605.65	1,499.79
		6,763.78	7,094.13
Assets held for Sale	15	0.93	2.07
Total Current Assets		6,764.71	7,096.20
Total Assets		12,644.11	12,969.44
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	16	94.05	94.05
(b) Other Equity	17	4,067.08	3,855.49
Total Equity		4,161.13	3,949.54

(₹ in crore)

Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
2 Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities	18		
(i) Borrowings	18.1	1,845.92	2,560.00
(ii) Trade Payables	18.2		
- 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	18.3	387.25	341.00
(b) Provisions	19	78.66	79.77
(c) Other Non-Current Liabilities	20	267.88	678.58
Total Non-Current Liabilities		2,579.71	3,659.35
(ii) Current Liabilities			
(a) Financial Liabilities	21		
(i) Trade Payables	21.1		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		4.28	17.04
- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		572.57	531.56
(ii) Other Financial Liabilities	21.2	2,941.73	2,294.19
(b) Other Current Liabilities	22	2,128.59	2,266.58
(c) Provisions	19	224.07	242.58
(d) Current Tax Liability (Net)	23	32.03	8.60
Total Current Liabilities		5,903.27	5,360.55
Total Equity and Liabilities		12,644.11	12,969.44
III. Summary of Significant Accounting Policies	2		
IV. Notes forming part of Financial Statements	1 - 47		

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

STANDALONE STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March 2020

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March 2020	For the year ended 31 st March 2019
I Revenue :			
Revenue from operations	24	5,202.45	4,415.10
II Other income	25	239.27	264.44
III Total Income (I + II)		5,441.72	4,679.54
IV Expenses:			
Materials and Stores Consumed	26 (i)	349.71	390.69
(Increase) / Decrease in WIP	26 (ii)	15.89	(169.37)
Project Expenses	26 (iii)	4,057.06	3,515.62
Employee Benefits Expenses	27	261.37	250.70
Finance Costs	28	27.31	15.57
Depreciation, Amortisation and Impairment	29	15.93	11.70
Other Expenses	26 (iii)	41.88	49.45
Total Expenses (IV)		4,769.15	4,064.36
V Profit Before exceptional items and Tax (III - IV)		672.57	615.18
VI Exceptional items		-	-
VII Profit before tax (V + VI)		672.57	615.18
VIII Tax expenses:			
(1) Current tax	9		
- For the Period		158.43	215.13
- For earlier years (net)		(26.58)	(50.89)
(2) Deferred tax (net)		50.94	6.26
Total Tax Expense		182.79	170.50
IX Profit for the year from continuing operation (VII - VIII)		489.78	444.68
X Other Comprehensive Income	30		
A. (i) Items that will not be reclassified to profit or loss		1.20	1.97
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		(0.30)	(0.69)
B. (i) Items that will be reclassified to profit or loss		(5.15)	(13.94)
(ii) Income Tax relating to Items that will be reclassified to profit or loss		1.30	4.87
		(2.95)	(7.79)
XI Total Comprehensive Income for the year (IX+X) (Comprising profit/(loss) and other comprehensive income for the year, net of tax)		486.83	436.89
XII Earnings Per Equity Share: (For Continuing Operation)			
(1) Basic	37	52.08	47.28
(2) Diluted		52.08	47.28
Face Value Per Equity Share		10.00	10.00
XIII Summary of Significant Accounting policies	2		
XIV Notes forming part of financial statements	1 - 47		

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

STANDALONE STATEMENT OF CASH FLOWS

For The Year Ended 31st March 2020

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March 2020	For the year ended 31 st March 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		672.57	615.18
Adjustment for :			
Interest on unwinding of financial instruments (Net)		(0.14)	(0.38)
Amortisation of financial instruments (Net)		0.14	0.39
Depreciation, amortization and impairment		15.93	11.70
Profit on sale of assets (net)		(28.45)	(14.43)
Profit on Sale of Mutual Funds		(0.96)	-
Interest Income		(175.23)	(170.04)
Dividend Income		(4.00)	(9.64)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		0.21	2.48
Operating Profit before Current / Non-Current Assets and Liabilities	(1)	480.07	435.26
Adjustment for :			
Decrease / (Increase) in Trade Receivables		(54.20)	162.05
Decrease / (Increase) in Inventories		11.28	(191.20)
Decrease / (Increase) in Loans, Other Financial Assets & Other Assets		538.42	(1,412.85)
(Decrease) / Increase in Trade Payables		28.26	35.55
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		52.39	(178.59)
	(2)	576.15	(1,585.04)
Cash Generated From Operations	(1+2)	1,056.22	(1,149.78)
Income Tax Paid		(44.37)	(93.39)
NET CASH FROM OPERATING ACTIVITIES	(A)	1,011.85	(1,243.17)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(58.16)	(56.18)
Acquisition of Intangible Assets and Intangible Assets under Development		(9.82)	(0.51)
Purchase / Proceeds of Investment Property		(68.92)	(118.98)
Sale of Property, Plant and Equipments & Intangible Assets		30.29	18.09
Sale / (Investments) in Mutual Funds		100.69	116.44
Loan to Subsidiaries		(475.11)	(262.77)
Repayment of Loan from Subsidiaries		72.96	-
Interest Received		186.46	194.44
Dividend Received		4.00	9.64
Investment in Subsidiaries & Joint Ventures		(253.97)	(229.95)
Bank Balance Other than Cash and Cash Equivalents		307.10	1,017.50
NET CASH FROM INVESTING ACTIVITIES	(B)	(164.48)	687.72

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March 2020	For the year ended 31 st March 2019
CASH FLOW FROM FINANCING ACTIVITIES			
Loan From Indian Railway Finance Corporation		(678.08)	146.23
Payment of Lease Liabilities		(0.04)	-
Final Dividend (including Dividend Distribution Tax) paid		(122.74)	(117.24)
Interim Dividend (including Dividend Distribution Tax) paid		(152.50)	(121.55)
NET CASH FROM FINANCING ACTIVITIES	(C)	(953.36)	(92.56)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	(0.21)	(2.48)
NET DECREASE IN CASH & CASH EQUIVALENTS	(A+B+C+D)	(106.20)	(650.49)
CASH AND CASH EQUIVALENTS (OPENING)	(E)	875.24	1,525.73
CASH AND CASH EQUIVALENTS (CLOSING)*	(F)	769.04	875.24
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(F - E)	(106.20)	(650.49)

Note :

1. The above Cash flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
2. Figures in brackets represent outflow of cash.
3. Figures of the previous year have been regrouped / recasted / restated wherever necessary.

* Includes Cheques / drafts in hand of ₹ 7.65 crore (31st March 2019 : Nil), encashability of which is restricted by the order of court.

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

STANDALONE STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st March 2020

A. Equity Share Capital

(₹ in crore)

Particulars	Amount
Balance as at 01 April, 2018	94.05
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	94.05
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	94.05

B. Other Equity

For the year ended 31st March, 2019

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange difference on translating the financial statement of a foreign operation	
Balance as at 1 April, 2018	3,333.71	310.51	4.93	8.75	3,657.90
Changes in accounting policy or prior period errors	-	(0.51)	-	-	(0.51)
Balance as at 1 April, 2018 (Restated)	3,333.71	310.00	4.93	8.75	3,657.39
Profit for the year	-	444.68	-	-	444.68
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	1.28	-	-	1.28
Foreign Exchange translation difference	-	-	-	(9.07)	(9.07)
Total Comprehensive Income for the period	-	445.96	-	(9.07)	436.89
Dividends Paid	-	(198.07)	-	-	(198.07)
Dividend Distribution Tax	-	(40.72)	-	-	(40.72)
Balance as at March 31, 2019	3,333.71	517.17	4.93	(0.32)	3,855.49

For the year ended 31st March, 2020

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange difference on translating the financial statement of a foreign operation	
Balance as at 1 April, 2019	3,333.71	517.17	4.93	(0.32)	3,855.49
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1 April, 2019 (Restated)	3,333.71	517.17	4.93	(0.32)	3,855.49
Profit for the year (Restated)	-	489.78	-	-	489.78

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange difference on translating the financial statement of a foreign operation	
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	0.90	-	-	0.90
Foreign Exchange translation difference	-		-	(3.85)	(3.85)
Total Comprehensive Income for the period	-	490.68	-	(3.85)	486.83
Dividends Paid	-	(228.31)	-	-	(228.31)
Dividend Distribution Tax	-	(46.93)	-	-	(46.93)
Balance as at March 31, 2020	3,333.71	732.61	4.93	(4.17)	4,067.08

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 10.07.2020.

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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 thereto.
- 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.

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

Depreciation on additions to/deductions from property, plant and equipment during the period is

charged on pro-rata basis from/up to the date on which the asset is available for use/disposed

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 ₹ 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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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.

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

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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 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

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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.

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

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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 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.

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.

- 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.

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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 (Ircan 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 (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 Company 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 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 (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 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 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

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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 is recognized directly in equity.

2.2.16 Provisions, contingent assets and contingent liabilities

a) 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.

b) 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.

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 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

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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 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

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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:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- **Debt instruments at FVTOCI**

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

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

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

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset

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that result from transactions that are within the scope of Ind AS 115

- e. Loan commitments which are not measured as at FVTPL
- f. 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, 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

- 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 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.

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 receivables 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 increase, mortality rates and future pension

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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 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.

d. Impairment of financial assets

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

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 Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

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

future taxable profits together with future tax planning strategies.

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 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.

i. 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

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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).

j. 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)

Foot Notes	Freehold Land	Lease hold Land	Lease hold Buildings	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
	(i)	(ii)	(iii)							(iii)			
Gross Carrying Amount (At Cost)													
At 31 March 2018	42.75	1.09	5.20	6.36	40.63	74.50	1.37	5.17	3.45	2.61	7.87	3.90	194.90
Additions	-	-	-	-	-	5.28	0.46	0.93	0.62	0.81	1.00	-	9.10
Disposals/Adjustments	(0.06)	-	-	-	-	(3.42)	-	(0.13)	(0.05)	(0.03)	(0.58)	(0.37)	(4.64)
Transfer to Right-to-use Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	0.03	1.04	0.01	0.05	0.02	0.03	0.02	0.03	1.23
At 31 March 2019	42.69	1.09	5.20	6.36	40.66	77.40	1.84	6.02	4.04	3.42	8.31	3.56	200.59
Transfer to Right-of-use Assets (Reclassified on account of adoption of Ind AS 116) [Refer note no.7]	-	(1.09)	(5.20)	-	-	-	-	-	-	-	-	-	(6.29)
At 1 April 2019	42.69	-	-	6.36	40.66	77.40	1.84	6.02	4.04	3.42	8.31	3.56	194.30
Additions	-	36.89	-	-	20.73	102.65	0.09	0.52	0.50	0.51	0.08	-	161.97
Disposals/Adjustments	-	-	-	-	-	(6.56)	(0.02)	(0.25)	(0.03)	(0.08)	(5.56)	(0.85)	(13.35)
Transfer to Asset held for sale	-	-	-	-	-	(0.22)	-	-	(0.03)	(0.01)	-	-	(0.26)
Exchange (Gain) / Loss	-	-	-	-	0.28	2.87	0.04	0.05	0.05	0.04	0.03	0.21	3.57
At 31 March 2020	42.69	36.89	-	6.36	61.67	176.14	1.95	6.34	4.53	3.88	2.86	2.92	346.23
Depreciation and impairment													
At 31 March 2018	-	0.03	0.67	3.05	10.94	36.67	0.23	1.74	1.31	0.81	5.19	0.69	61.33
Depreciation charge for the year	-	0.01	0.28	0.30	2.12	3.85	0.14	1.09	0.59	0.35	2.06	0.43	11.22
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	(0.32)	(0.01)	(0.09)	(0.06)	(0.02)	(0.32)	(0.17)	(0.99)
Transfer to Right-to-use Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss	-	-	-	-	0.01	0.77	-	0.04	0.05	0.02	0.02	(0.07)	0.84
At 31 March 2019	-	0.04	0.95	3.35	13.07	40.97	0.36	2.78	1.89	1.16	6.95	0.88	72.40
Transfer to Right-of-use Assets (Reclassified on account of adoption of Ind AS 116) [Refer note no.7]	-	(0.05)	(0.95)	-	-	-	-	-	-	-	-	-	(1.00)
At 1 April 2019	-	(0.01)	-	3.35	13.07	40.97	0.36	2.78	1.89	1.16	6.95	0.88	71.40
Depreciation charge for the year	-	-	-	0.19	2.29	8.32	0.18	1.09	0.64	0.33	0.50	0.41	13.95
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	(6.05)	(0.02)	(0.15)	(0.03)	(0.03)	(5.28)	(0.19)	(11.75)
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	(0.02)	-	-	-	(0.02)
Exchange (Gain) / Loss	-	-	-	-	0.11	1.76	0.01	0.01	0.02	0.02	0.01	0.07	2.01
At 31 March 2020	-	(0.01)	-	3.54	15.47	45.00	0.53	3.73	2.50	1.48	2.18	1.17	75.59
Net book value (iv)													
At 31 March 2020	42.69	36.90	-	2.82	46.20	131.14	1.42	2.61	2.03	2.40	0.68	1.75	270.64
At 31 March 2019	42.69	1.05	4.25	3.01	27.59	36.43	1.48	3.24	2.15	2.26	1.36	2.68	128.19

- i) 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 Rs.0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- ii) 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.
- iii) Furniture & Fixtures includes Furnishings also.
- iv) Carrying amount include Foreign Exchange Loss/Gain on account of PPE translation from functional currency to presentation currency.

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4. Capital Work in Progress

(₹ in crore)

Particulars	Amount
Opening balance at 1 April 2018	0.98
Additions (subsequent expenditure)	47.08
Capitalised during the year	-
Closing balance at 31 March 2019	48.06
Additions (subsequent expenditure)	2.04
Capitalised during the year	(49.44)
Closing balance At 31 March 2020	0.66
Net Book Value	
At 31 March 2020	0.66
At 31 March 2019	48.06

5. Investment Property

(₹ in crore)

Particulars	Noida			Gurugram		Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	
Opening balance at 1 April 2018	260.35	63.23	-	2.23	30.01	3.04	358.86
Additions (subsequent expenditure)*	66.85	35.96	-	-	16.17	-	118.98
Closing balance at 31 March 2019	327.20	99.19	-	2.23	46.18	3.04	477.84
Additions (subsequent expenditure)*	-	49.28	-	-	19.64	-	68.92
Capitalised during the year	-	(128.38)	128.38	-	-	-	-
Land & Building transfer to Property, Plant and Equipment (Refer Note-3)	(36.89)	(19.52)	-	-	-	-	(56.41)
Closing balance At 31 March 2020	290.31	0.57	128.38	2.23	65.82	3.04	490.35
Depreciation and impairment							
Opening balance at 1 April 2018	-	-	-	-	-	0.19	0.19
Depreciation during the year	-	-	-	-	-	0.04	0.04
Closing balance 31 March 2019	-	-	-	-	-	0.23	0.23
Depreciation during the year	-	-	1.06	-	-	0.04	1.10
Closing balance At 31 March 2020	-	-	1.06	-	-	0.27	1.33
Net Block							
At 31 March 2020	290.31	0.57	127.32	2.23	65.82	2.77	489.02
at 31 March 2019	327.20	99.19	-	2.23	46.18	2.81	477.61

Information regarding income and expenditure of Investment property

(₹ in crore)

Particulars	31 March 2020	31 March 2019
Rental income derived from investment properties	0.39	0.38
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	0.39	0.38
Less: Depreciation during the year	(0.04)	(0.04)
Profit arising from investment properties before indirect expenses	0.35	0.34

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

Reconciliation of fair value

(₹ in crore)

Particulars	Noida			Gurugram		Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	
Opening balance at 1 April 2018	239.03	55.13	-	133.20	27.91	5.31	460.58
Fair value difference	(0.99)	64.49	-	3.64	30.49	1.83	99.46
Closing balance at 31 March 2019	238.04	119.62	-	136.84	58.40	7.14	560.04
Land & Building transfer to Property, Plant and Equipment (Refer Note-3)	(25.92)	(17.57)	-	-	-	-	(43.49)
Opening balance at 1 April 2019	212.12	102.05	-	136.84	58.40	7.14	516.55
Capitalised during the year	-	(102.05)	102.05	-	-	-	-
Fair value difference	16.35	0.57	25.97	(11.68)	7.79	(0.05)	38.95
Closing balance At 31 March 2020	228.47	0.57	128.02	125.16	66.19	7.09	555.50
Fair value difference for the year	16.35	0.57	25.97	(11.68)	7.79	(0.05)	38.95
Note:-							
Investment Property self constructed	228.47	0.57	128.02	125.16	66.19	7.09	555.50
	228.47	0.57	128.02	125.16	66.19	7.09	555.50

- (i) These valuations are based on valuations performed by accredited independent valuer. Fair Values are based on cost & income/cost/market value approach.
- (ii) The fair value measurement is categorised in Level 3 of fair value hierarchy.
- (iii) 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.

(₹ in crore)

* Detail of Additions (subsequent expenditure)	As at 31 st March		As at 31 st March 2019	
	Land	Capital work in progress	Land	Capital work in progress
Lease Rent Paid	-	-	66.85	-
- Work Expenses	-	47.09	-	41.57
- Consultancy Charges	-	0.67	-	0.22
- Salary & Wages	-	1.56	-	1.44
- Rates & Taxes	-	2.14	-	6.24
- Vehicle Operation and Maintenance	-	0.08	-	0.10
- Power, Electricity and Water charges	-	1.41	-	2.19
- Advertisement & Publicity	-	0.09	-	0.10
- Staff Welfare	-	-	-	0.01
- Bank Charges	-	0.02	-	0.01
- Repairs and Maintenance - Office & Other	-	-	-	0.01
- Tour & Travelling	-	0.02	-	0.08
- Misc. Operating Exp.	-	15.84	-	0.16
Total	-	68.92	66.85	52.13

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For the year ended 31st March 2020

6. Intangible Assets

(₹ in crore)

Particulars	Intangible Assets under Development (Software)	Other Intangible (Software)
Gross Block		
Opening balance at 1 April 2018	-	1.61
Addition during the year	-	0.51
Disposals / adjustment during the year	-	(0.03)
Closing balance at 31 March 2019	-	2.09
Addition during the year	9.79	0.03
Disposals / adjustment during the year	-	(0.01)
Closing balance At 31 March 2020	9.79	2.11
Amortisation and Impairment		
Opening balance at 1 April 2018	-	0.78
Amortisation during the year	-	0.44
Sales / adjustment during the year	-	(0.03)
Closing balance at 31 March 2019	-	1.19
Amortisation during the year	-	0.54
Sales / adjustment during the year	-	(0.02)
Closing balance At 31 March 2020	-	1.71
Net book value		
At 31 March 2020	9.79	0.40
At 31 March 2019	-	0.90

Note: Intangible assets under development represents capital expenditure made for acquiring the SAP S4 / HANA ERP software.

7. Right-of-use Assets

(₹ in crore)

Particulars	Land (ii)	Building (i)	Vehicles	Total
Gross Block				
Opening Balance at 1 April 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116 {Refer note no. 3}	1.09	5.20	-	6.29
Transition impact on account of adoption of Ind AS 116	0.16	0.01	0.04	0.21
Balance at 1 April 2019	1.25	5.21	0.04	6.50
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
Closing Balance at 31 March 2020	1.25	5.21	0.04	6.50
Depreciation and Impairment				
Opening Balance at 1 April 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116 {Refer note no. 3}	0.05	0.95	-	1.00
Transition impact on account of adoption of Ind AS 116	-	-	-	-
Balance at 1 April 2019	0.05	0.95	-	1.00
Depreciation during the year	0.02	0.29	0.02	0.33
Impairment	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
Closing Balance at 31 March 2020	0.07	1.24	0.02	1.33
Net Book Value				
At 31 March 2020	1.18	3.97	0.02	5.17
At 1 April 2019	1.20	4.26	0.04	5.50

- 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 ₹0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

NOTES TO STANDALONE FINANCIAL STATEMENTS

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8. Non-Current Financial Assets

8.1 Non-Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 March 2020	As at 31 March 2019
1. Investments in Equity Instruments (fully paid-up, unquoted, at cost)		
A) Subsidiary Companies		
Ircon Infrastructure & Services Limited 6,50,00,000 equity shares of ₹ 10 each (31 March 2019 : 6,50,00,000)	65.00	65.00
Ircon PB Tollway Limited 16,50,00,000 equity shares of ₹ 10 each (31 March 2019 : 16,50,00,000)	165.00	165.00
Ircon Shivpuri Guna Tollway Limited 15,00,00,000 equity shares of ₹ 10 each (31 March 2019 : 15,00,00,000)	150.00	150.00
Ircon Vadodara Kim Expressway Limited 1,00,00,000 equity shares of ₹ 10 each (31 March 2019 : 60,00,000 equity shares) (Refer note (i) a)	135.77	6.00
Ircon Davanagere Haveri Highway Limited 16,40,50,000 equity shares of ₹ 10 each (31 March 2019 : 10,40,50,000 equity shares)	164.05	104.05
Total (A) - Investment in Subsidiary Companies	679.82	490.05
B) Joint Venture Companies		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of ₹ 10 each fully paid. (31 March 2019 : 6,38,70,000) (Refer note (ii) a & b)	64.15	64.15
Indian Railway Stations Development Corporation Limited 3,99,99,699 equity shares of ₹ 10 each (31 March 2019 : 2,58,00,000 equity shares) (Refer note (iii))	40.00	25.80
Bastar Railway Pvt. Limited 7,63,37,300 equity shares of ₹ 10 each (31 March 2019 : 7,63,37,300 equity shares)	76.34	76.34
Jharkhand Central Railway Limited 1,30,00,000 equity shares of ₹ 10 each (31 March 2019 : 1,30,00,000) (Refer note (i) b)	63.00	13.00
Mahanadi Coal Railway Limited 13,000 equity shares of ₹ 10 each (31 March 2019 : 13,000 equity shares)	0.01	0.01
Chhattisgarh East Railway Limited 12,25,75,700 equity shares of ₹ 10 each fully paid. (31 March 2019 : 12,25,75,700 equity shares)	122.58	122.58
Chhattisgarh East-West Railway Limited 13,11,70,000 equity shares of ₹ 10 each fully paid. (31 March 2019 : 13,11,70,000 equity shares)	131.17	131.17
Total (B) - Investment in Joint Venture Companies	497.25	433.05
2. Investment in Bonds (Quoted, at Amortised cost)		
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 163,131 units of ₹ 1,000 each (31 March 2019 : 163,131 units)	16.31	16.31
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of ₹ 10,00,000 each (31 March 2019 : 500 units)	50.01	49.98
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 5,00,000 units of ₹ 1,000 each (31 March 2019 : 5,00,000 units)	50.00	50.00
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of ₹ 10,00,000 each (31 March 2019 : 500 units)	49.96	49.94
7.15% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 250 units of ₹ 10,00,000 each (31 March 2019 : 250 units)	24.99	24.99
7.07% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 3,02,000 units of Rs.1,000 each (31 March 2019 : 3,02,000 units) "	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of ₹ 1,000 each (31 March 2019 : 1,99,989 units)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of ₹ 10,00,000 each (31 March 2019 : 500 units)	49.98	49.98
Total (2) - Investment in Bonds (Quoted)	291.45	291.40
Total Non - Current Investments (1+2)	1,468.52	1,214.50

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Aggregate Book value of quoted investments	291.45	291.40
Aggregate Market value of quoted investments	322.13	314.23
Aggregate Book value of unquoted investments (1+2)	1,177.07	923.10
Aggregate amount of impairment in value of investments	-	-

- (i) (a) BoD has approved the Equity participation (committed), not exceeding ₹ 10.00 crore in WOS, Ircon Vadodara Kim Expressway. Further, BoD has approved the Convertible Securities (Interest Free Advance), not exceeding ₹ 125.77 crore in WOS, Ircon Vadodara Kim Expressway.
- (b) Board of Directors have approved Convertible Securities (Interest Free Advance), of ₹ 50 crores in favour of Jharkhand Central Railway Limited (JCRL).
- (ii) (a) As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction period and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.
- (b) 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 31.03.2020 is ₹ Nil (as on 31.03.2019 ₹ Nil).
- (iii) BoD has approved further equity investment of ₹ 24 crore (including premium, if any) in IRSDC over and above the amount of ₹ 40 crore already committed. Further Rites limited has been introduced as third strategic partner / shareholder in IRSDC and revised Promotors' agreement be entered into between RLDA, IRCON & RITES with shareholding in the ratio of 50:26:24.

8.2 Non-Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
A. Considered Good : Secured		
Staff Loans and Advances	0.12	0.22
B. Considered Good : Unsecured		
(i) Loans to Related Parties:		
Joint Ventures		
- Chhattisgarh East West Railway Ltd.	39.00	39.00
Subsidiaries		
- Ircon Shivpuri Guna Tollway Limited	540.87	516.66
- Ircon PB Tollway Limited	379.29	309.70
- Ircon Vadodara Kim Expressway Limited	181.00	-
- Ircon Davanagere Haveri Highway Limited	269.22	130.00
(ii) Others:		
Staff Loans & Advances *	0.18	0.23
Total	1,409.68	995.81
* Details of amount due from Directors:		(₹ in crore)
Particulars	As at 31st March 2020	As at 31st March 2019
Amount due from directors included in staff loans and advances	-	0.0020
Total	-	0.0020

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

8.3 Non-Current Assets - Other Financial Assets

(₹ in crore)

Particulars	As at 31 st March 2020		As at 31 st March 2019	
Considered Good : Unsecured				
Security Deposits				
- Government Departments		0.01		0.01
- Others		0.20		0.25
Contact Asset :				
- Retention Money with Client	112.13		103.84	
- Money Withheld by Client	3.47	115.60	3.47	107.31
Fixed Deposits with original maturity of more than 12 months {refer foot note (i)}		8.56		0.41
Fixed Deposits received from Contractors {refer foot note (ii)}		7.09		8.89
Interest Accrued on Advances to Staff #		0.22		0.32
Interest Accrued on Loans to Related Party		-		-
- Recoverable from Govt of Mozambique		-		-
- Advance Lease Rent		-		-
- Recoverable from Rail Land Development Authority (RLDA) {refer foot note (iii)}	-	1,870.56	-	2,590.45
Total		2,002.24		2,707.64

Details of amount due from Directors:

(Rs. in crore)

Particulars	As at 31 st March 2020		As at 31 st March 2019	
Amount due from directors included in interest accrued on staff loans and advances		0.0004		0.0029
Total		0.0004		0.0029

Foot Notes:-

- (i) Includes FDRs under Lien for ₹ 0.41 crore (as on 31 March 2019 : ₹ 0.41 crore).
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) 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. Further under MOU, RLDA has transferred the leasehold rights in the Project site at Bandra East in favour of the Company, together with the rights to undertake commercial development thereon. 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 31st March 2020

9. Deferred Tax Assets (Net)

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

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2020	31 st March 2019
1	Statement of Profit and Loss Section		
	Current income tax :		
	Current income tax charge	158.43	215.13
	Adjustment in respect of current tax of previous year	(26.58)	(50.89)
	Deferred tax :		
	Relating to origination and reversal of temporary differences	50.94	6.26
	Income tax expense reported in the Statement of Profit and Loss Section	182.79	170.50
2	Other Comprehensive income (OCI) Section		
	Income tax related to items recognised in OCI during in the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	0.30	0.69
	Net loss/(gain) on exchange gain/ loss	(1.30)	(4.87)
	Income tax expense reported in the OCI Section	(1.00)	(4.18)

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

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2020	31 st March 2019
1	Accounting profit before income tax	668.62	603.21
2	Tax on Accounting Profit	168.28	210.79
3	Effect on Tax Adjustments:		
	(i) Adjustments in respect of current income tax of previous years	(26.58)	(50.89)
	(ii) Utilisation of previously unrecognised tax losses	-	-
	(iii) Impact of Rate Difference	40.46	-
	(iv) Tax on Income exempt form tax	(12.22)	(17.67)
	(v) Non-deductible expenses for tax purposes:		
	- Other country additional tax	9.82	19.07
	- Other non-deductible expenses	4.94	5.77
	(vi) Tax effect of various other items	(2.91)	(0.75)
		181.79	166.32
4	Income tax expense reported in the statement of profit and loss	181.79	166.32
5	Effectife Tax rate	27.19%	27.57%

(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 of loss	
		31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
		1	Property, plant & equipment (including intangible):		
	Difference in book depreciation and income tax depreciation	(11.60)	(2.83)	8.77	5.14
2	Provisions	75.34	111.18	35.84	6.42
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	29.94	36.27	6.33	(5.30)
	Net deferred tax Assets / (Liabilities)	93.68	144.62	50.94	6.26

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(d) Reflected in the balance sheet as follows:

(₹ in crore)

S.No.	Particulars	31 st March 2020	31 st March 2019
1	Deferred tax assets	105.28	147.45
2	Deferred tax liability	(11.60)	(2.83)
	Deferred Tax (Liabilities) /Asset (Net)	93.68	144.62

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

As at 31st March 2020

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2019 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31 st March 2020 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(2.83)	(8.77)	-	(11.60)
2	Provisions	111.18	(35.84)	-	75.34
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	36.27	(6.33)	-	29.94
	Net deferred tax assets / (liabilities)	144.62	(50.94)	-	93.68

As at 31st March 2019

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2018 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31 st March 2019 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	2.31	(5.14)	-	(2.83)
2	Provisions	117.60	(6.42)	-	111.18
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	30.97	5.30	-	36.27
	Net deferred tax assets / (liabilities)	150.88	(6.26)	-	144.62

10. Other Non-Current Assets

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured		
Advances Other than Capital Advances		
Advances to Contractors against material and machinery	113.87	154.74
Advances to Contractors, Suppliers and Others	0.07	0.07
Deposits with Tax Departments	0.17	0.20
Interest Accrued on :		
- Advances to Contractors, Suppliers & others	15.49	0.89
Fair valuation adjustment	-	0.01
Total	129.60	155.91

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

11. Inventories

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated)		
- In Hand	30.94	23.58
- With Third Parties	26.05	30.90
- In Transit	-	-
Others (Scrap)	0.29	0.29
Construction Work In progress (valued at Cost)	263.38	277.17
Total	320.66	331.94

12. Current Assets - Financial Assets

12.1 Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Investment at Fair Value through Profit & Loss		
Investment in Mutual funds (Quoted)		
"SBI Premier Liquid Fund - Daily Dividend Plan : No. of Units : Nil (31 March 2019 : 6,93,682.97)"	-	69.60
"UTI Liquid Cash Plan - Direct Plan - Daily Dividend : No. of Units : Nil (31 March 2019 : 2,95,575.202)"	-	30.13
Total (Refer foot note (i))	-	99.73
Aggregate book value of quoted investments	-	99.73
Aggregate Market value of quoted investments	-	99.73
Aggregate book value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

(i) Includes Rs. Nil (as on 31 March 2019 Rs. 4.61 crore) for project site at Bandra (East).

12.2 Current Financial Assets - Trade Receivables

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured *	559.34	505.14
Considered Doubtful : Unsecured	27.18	27.28
Less : Impairment allowances for doubtful debts	(27.18)	(27.28)
Total	559.34	505.14

* Includes Receivables from related parties ₹ 411.35 crore (As at 31st March 2019 : ₹ 114.06 crore) and are disclosed in Note : 35 (c) 4.1

12.3 Current Financial Assets - Cash and Cash equivalents

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Cash on hand		0.07	0.04
Cheques/drafts in hand	(i)	7.65	0.08
Remittance in Transit		-	4.50
Balances with banks:			
- On current accounts		182.19	135.80
- Flexi Accounts	(ii)	87.33	201.06
- Deposits with original maturity of less than 3 months	(ii)	491.80	533.76
		769.04	875.24

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

12.4 Current Financial Assets - Other Bank Balances

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Other Bank Balances			
Deposits with original maturity of more than 3 months but less than 12 months	(ii)	1,731.84	2,038.94
		1,731.84	2,038.94

Foot Notes : - for Note 12.3 & 12.4

(i) Includes Cheques / Drafts in hand of ₹7.65 crore (31st March 2019 : ₹ Nil), encashability of which is restricted by the order of court.

(ii) Includes Clients Fund of ₹1,825.89 crore (31st March 2019 : ₹2,256.30 crore) on which interest is passed on to them.

12.5 Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
A. Considered Good : Secured		
Staff Loans and Advances	0.40	0.61
B. Considered Good : Unsecured		
(i) Loans to Related Parties:		
Subsidiaries		
- Ircon Vadodara Kim Expressway Limited	-	-
- Ircon Shivpuri Guna Tollway Limited	23.28	44.93
- Ircon PB Tollway Limited	37.93	28.15
(ii) Others:		
Staff Loans & Advances*	1.19	1.25
Total	62.80	74.94

*Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amount due from directors included in staff loans and advances	0.0020	0.0048
Total	0.0020	0.0048

12.6 Current Assets - Other Financial Assets

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured			
Security Deposits			
- Government Departments		17.46	29.75
- Others		133.20	127.63
Earnest Money Deposit		0.17	0.28
Fixed Deposits received from Contractors	(ii)	19.32	18.56
Interest Accrued on :			
- Advance to Staff	(i)	0.51	0.60
- Loans to Related Parties		8.15	4.40
- Advances to Rail Land Development Authority (RLDA)		- 212.85	- 274.42
- Deposits with Banks		32.14	47.20
- Bonds		17.86	17.83
Contract Asset :			
- Billable Revenue / Receivable not due	(iii) (a) & (b)	212.12	219.41
- Construction Work in Progress (At realisable value)	(iii) (b)	161.57	178.16
- Retention Money with Client	(iv)	14.55	6.11
- Money Withheld by Client	(iv)	191.19	69.95
		579.43	473.63

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Share Application Money pending Allotment :			
Indian Railway Stations Development Corporation Limited - 301 equity shares of ₹ 10 each (31 March 2019 : 1,42,00,000) (Refer note no. 8.1)		-	14.20
Other Recoverable :			
(a) From Related Parties (Joint Ventures)			
- RICON		-	1.02
- International Metro Civil Contractor		3.66	3.62
- Metro Tunnelling Group		4.37	4.20
- Ircon Soma Tollway Pvt. Ltd.		0.02	7.05
- Indian Railway station Development corporation Limited		0.99	0.96
- IRCON - AFCON JV		29.43	29.47
- Chhattisgarh East Railway Limited		0.60	0.24
- Bastar Railway Private Limited		0.56	-
- Mahanadi Coal Railway Limited		1.40	1.04
(b) From Related Parties (Subsidiaries)			
- Ircon Shivpuri Guna Tollway Limited		0.57	0.89
- Ircon Infrastructure & Services Limited		1.33	1.35
- Ircon PB Tollway Limited		0.32	2.21
- Ircon Vadodara Kim Expressway Limited		0.10	0.12
- Devangare Haveri Highway Limited		0.02	0.05
(c) Recoverable from Govt. of Mozambique		-	38.23
(d) Recoverable from Rail Land Development Authority (RLDA)		- 615.31	- 516.53
(e) Claims Recoverable from Clients		18.72	15.39
(f) Advance Lease Rent		0.19	0.22
(g) Others		8.75	5.35
Considered Doubtful : Unsecured			
Security Deposits			
- Government Departments		0.12	0.12
- Others		0.26	0.19
Earnest Money Deposit		0.16	0.16
Contract Asset :			
- Retention Money with Client		6.00	5.99
- Money Withheld by Client		5.68	5.74
Recoverable from Ircon Soma Tollway Pvt. Ltd.		0.05	-
Recoverable from Rail Land Development Authority (RLDA)		5.81	-
Less : Impairment allowance for doubtful other financial assets		(18.08)	(12.20)
Total		1,707.43	1,636.44

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 (Rs. Nil).

Details of amount due from Directors :

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amount due from directors included in interest accrued on staff loans and advances	0.0028	-
Total		

- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) (a) Includes Value of work amounting to ₹ 32.78 crore (₹ 16.93 crore) certified by client, but not billed by reporting date.
(b) Includes Receivables from related parties ₹ 189.65 crore (As at 31st March 2019 : ₹ 147.43 crore) and are disclosed in Note : 35 (c) 4.2 (a)
- (iv) Includes Receivables from related parties ₹ 35.13 crore (As at 31st March 2019 : ₹ 0.81 crore) and are disclosed in Note : 35 (c) 4.2 (b)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

13 Current Assets - Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	7.02	31.97
Current tax Assets (Net)	7.02	31.97

14. Other Current Assets

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured		
Advances Other than Capital Advances		
Advances to Contractors against material and machinery	279.63	285.32
Advances to Contractors, Suppliers and Others	680.39	531.87
Advance Recoverable from:		
- Sales Tax (including TDS)	340.14	340.11
Less : Deposited under Protest	(218.65)	(218.65)
- Value Added Tax	86.94	111.70
- Goods & Services Tax	326.19	338.47
- Service Tax input credit	0.01	0.01
Security Deposits	28.72	15.84
Interest Accrued on:		
Deposits & Advances with Contractors, Suppliers & Others	79.67	90.73
Prepaid Expenses	2.60	4.24
Fair valuation adjustment	0.01	0.15
Considered Doubtful : Unsecured		
Advances to Contractors, Suppliers and Others	16.93	16.94
Sales Tax (including TDS)	36.05	36.02
Others	-	-
Value Added Tax	7.18	7.18
Less: Impairment allowance for doubtful advances	(60.16)	(60.14)
Total	1,605.65	1,499.79

15. Assets held for Sale

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Assets held for disposal	0.93	2.07
Total - Assets held for Sale	0.93	2.07

(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 st March 2020		As at 31 st March 2019	
					Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery								
Northern Region	Plant and Machinery (Noida Workshop)	Through e-auction like MSTC with expected time of disposal by end of year 2021	-	Domestic : PMD Division	0.78	0.05	0.78	0.05

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 st March 2020		As at 31 st March 2019	
					Gross Block	Net Block	Gross Block	Net Block
Northern Region	Plant and Machinery (DMRC CE 6)	Through e-auction like MSTC with expected time of disposal by end of year 2021	-	Domestic	0.19	0.01	-	-
Northern Region	Plant and Machinery (Bikaner Phalodi)	Through e-auction like MSTC with expected time of disposal by end of year 2021	-	Domestic	-	-	3.38	0.19
Malaysia Region	Locomotives - 4 No. (15 No.)	Open Tender	4.40	International	0.16	0.16	0.87	0.87
	NIL (5 No.) of Track Machine, 2No. (Nil) Hopper wagons, 10 No. (9 No.) Flat Wagons, NIL (2 No.) of wide base Tractors & 2 No. (NIL) Coaches	Limited Tender	0.44	International	0.14	0.14	0.50	0.30
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
Vehicles								
Malaysia Region	NIL (2 No.) of Road Vehicle	Limited Tender	-	International	-	-	0.12	0.03
Office Equipments								
Malaysia Region	28 Items (NIL) of Office Equipments, 17 No. (NIL) of Airconditioners & 68 Items (NIL) of Electrical Appliances	Limited Tender	-	International	0.03	-	-	-
Furniture & fixtures								
Malaysia Region	79 Items of Furnitures	Limited Tender	-	International	0.01	-	-	-
Freehold Land								
Northern Region	Freehold Land (Northern Regional Office)	Through e-tender	-	Domestic	-	-	0.06	0.06
Freehold Building - Residential								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
Total					7.59	0.93	11.99	2.07

Note : - 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 ₹ 0.01 crore (March 2019 : Nil) has been provided for.

16. Equity Share capital

Particulars	As at 31 st March 2020	As at 31 st March 2019
Authorised Share Capital		
40,00,00,000 Equity shares of ₹ 10 each (refer note no. (f))		
(40,00,00,000 Equity shares of ₹ 10 each as at 31 st March 2019)	400.00	400.00
Issued/Subscribed and Paid up Capital		
9,40,51,574 Equity shares of ₹ 10 each-fully paid		
(9,40,51,574 Equity shares of ₹ 10 each-fully paid as at 31 st March 2019)	94.05	94.05
	94.05	94.05

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

Name of the shareholder	As at 31 st March 2020		As at 31 st March 2019	
	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	838,78,417	89.18%	838,78,417	89.18%

(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 31 st March 2020	As at 31 st March 2019	As at 31 st March 2018	As at 31 st March 2017	As at 31 st March 2016	As at 31 st March 2015
	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	-	-	-	791,84,000	-	-
Equity shares Buy Back	-	-	49,28,426	-	-	-
Total	-	-	49,28,426	791,84,000	-	-

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.

(c) Terms / Rights attached to Equity Shares :

(i) Voting

The Company has only one class of equity shares having a par value of ₹10 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

(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 31 st March 2020		As at 31 st March 2019	
	No of shares	Rs in crore	No of shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	940,51,574	94.05	940,51,574	94.05
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	940,51,574	94.05	940,51,574	94.05

216 (e) Consequent upon Govt. of India decision to disinvest, 99,05,157 shares of the company were allotted to public on 26th September 2018 and shares of the company listed on NSE & BSE on 28th September 2018. However, this IPO was for disinvestment of shares held by Government of India so, Company's Share Capital is not affected. The proceeds of the disinvestment have been realized by Govt. of India (GOI).

(f) The shareholders of Company through postal Ballot on 22nd March, 2020 have approved: (i) Split the face value of one equity share from ₹ 10/- each into five equity shares of ₹ 2/- each which have been reflected at Stock exchanges w.e.f. 3rd April, 2020. (ii) Amended the Capital Clause in the Memorandum of Association of the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

17. Other Equity

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Retained Earnings	732.61	517.17
General Reserve	3,333.71	3,333.71
Capital Redemption Reserve	4.93	4.93
Other Comprehensive Income	(4.17)	(0.32)
Total	4,067.08	3,855.49
i) Movement as per below:		
(a) Retained Earnings		
Opening Balance	517.17	310.00
Transfer from surplus in statement of profit and loss	489.78	444.68
Dividend declared and paid during the year including Corporate Dividend Tax	(122.74)	(117.24)
Interim Dividend including Tax thereon	(152.50)	(121.55)
Re-measurement of defined benefit plans (net of tax)	0.90	1.28
Payment of Fee for increase in Authorised Capital	-	-
Payment for Buy Back of Shares	-	-
Closing Balance	732.61	517.17
(b) General Reserve		
Opening and Closing Balance	3,333.71	3,333.71
(c) Capital Redemption Reserve		
Opening and Closing Balance	4.93	4.93
(d) Other Comprehensive Income		
Opening Balance	(0.32)	8.75
Foreign Currency Translation (net of tax) during the Year	(3.85)	(9.07)
Closing Balance	(4.17)	(0.32)
Grand Total (a+b+c+d)	4,067.08	3,855.49

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 and Proposed Dividend

Particulars	31 March 2020	31 March 2019
Cash dividends on equity shares declared / paid:		
Final Dividend of FY 2018-19 paid during 2019-20: INR 10.825 per share (Paid during FY 2018-19: INR 10.34 per share)	101.81	97.25
Dividend distribution tax final dividend	20.93	19.99
Interim dividend paid during 2019-20: INR 13.45 per share (FY 2018-19: INR 10.72 per share)	126.50	100.82
Dividend distribution tax on interim dividend	26.00	20.73
Total	275.24	238.79

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

iv) Event occurring after the reporting period:

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting :		
Dividend for 31 March 2020: INR 2.06 per share on face value of ₹ 2/- per equity share (31 March 2019: INR 10.825 per share on face value of ₹ 10/- per equity share)	96.87	101.81
Dividend distribution tax on proposed dividend	-	20.93
Total	96.87	122.74

18. Non-Current Liabilities - Financial Liabilities

18.1 Non-Current Financial Liabilities - Borrowings

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Unsecured:		
Loan From Indian Railway Finance Corporation {Refer Notes below}	1,845.92	2,560.00
Total	1,845.92	2,560.00

Notes :

- (a) **Terms and Conditions of the unsecured Loan :** The Company has raised a loan from Indian Railway Finance Corporation ("IRFC") 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 (iii)).]
- (b) **Rate of Interest :** (i) 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.
(ii) 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.

18.2 Non-Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(A) Micro, Small & Medium Enterprises	-	-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	-	-
Total	-	-

Notes:

- a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 44.
- b) Terms and Conditions and other balances with related parties are disclosed in Note 35.

18.3 Non-Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Deposits and Retention money	386.87	309.56
Amount Payable to Client	0.24	0.18
Interest Payable on Advance from Client	-	31.26
Lease Liability	0.14	-
Total	387.25	341.00

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

19. Provisions

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Provision for Employee Benefits	19.1	108.93	103.94
Other Provisions	19.2	193.80	218.41
Total		302.73	322.35
Current		224.07	242.58
Non Current		78.66	79.77

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	Total
As at 31-March-2019	62.23	1.28	9.27	31.00	0.16	103.94
Current	6.91	0.14	9.27	31.00	0.02	47.34
Non Current	55.32	1.14	-	-	0.14	56.60
Provision made during the year	13.95	0.16	5.67	27.42	-	47.20
Less: Utilization during the year	(8.01)	(0.16)	(4.49)	(29.64)	(0.02)	(42.32)
Less: Write Back during the year (Exchange Gain) / Loss	-	-	-	-	(0.02)	(0.02)
	0.13	-	-	-	-	0.13
As at 31-March-2020	68.30	1.28	10.45	28.78	0.12	108.93
Current	8.51	0.18	10.45	28.78	0.01	47.93
Non Current	59.79	1.10	-	-	0.11	61.00

* Includes ₹ 0.80 crore for employees posted on Foreign Projects on which Leave Salary Provision has been made on actual basis.

19.2 Other Provision

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows :

- 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.
- 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.
- Legal Cases**
Provision for legal cases represents liabilities that are expected to materialise in respect of matters in courts, arbitrations and appeal.
- Provisions for Other Expenses**
Provision for other expenses represents expected tax liabilities in respect of indirect taxes and others.

Particulars	Demobilisation	Maintenance	Legal Cases	Other	Total Expenses
As at 31-March-2019	13.40	49.95	68.31	86.75	218.41
Current	12.38	27.80	68.31	86.75	195.24
Non Current	1.02	22.15	-	-	23.17
Provision made during the year	0.15	4.87	5.35	8.96	19.33
Less: Utilization during the year	(0.08)	(14.82)	(23.14)	(1.03)	(39.07)
Less: Write Back during the year (Exchange Gain) / Loss	(0.44)	(0.03)	(5.34)	(3.06)	(8.87)
	0.96	1.26	-	0.51	2.73
Unwinding of discount	0.02	1.25	-	-	1.27
As at 31-March-2020	14.01	42.48	45.18	92.13	193.80
Current	12.76	26.07	45.18	92.13	176.14
Non Current	1.25	16.41	-	-	17.66

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

20. Other Non-Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
a) Contract Liability		
Advance from clients	267.88	678.58
b) Others		
Others	-	-
Total	267.88	678.58

Notes: Terms and Conditions and other balances with related parties are disclosed in Note 35.

21. Current Liabilities - Financial Liabilities

21.1 Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(A) Micro, Small & Medium Enterprises	4.28	17.04
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	571.67	529.98
(ii) Related Parties	0.90	1.58
Total	576.85	548.60

Notes:

- Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 44.
- Terms and Conditions and other balances with related parties are disclosed in Note 35.

21.2 Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Current Maturities of Long-Term Debt :Loan From		
Loan From Indian Railway Finance Corporation	615.31	516.53
Interest Accrued on Loan from Indian Railway Finance Corporation	210.00	272.77
Gratuity Payable	3.32	4.01
Deposits, Retention money and Money Withheld	964.13	737.85
Amount Payable to Client	671.46	474.02
Interest Payable on Advance from Client	251.28	204.89
Other Payables (including Staff Payable)	226.20	84.12
Lease Liability	0.03	-
Total	2,941.73	2,294.19

22. Other Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
a) Contract Liability		
Advance from clients	1,927.63	2,058.02
- Less: Deposits under protest	(218.65)	(218.65)
Advance contract receipts	263.78	229.41
b) Other Advances		
Advance from others	-	1.33
c) Others		
Statutory dues	155.83	196.47
Total	2,128.59	2,266.58

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 31st March 2020

23. Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Provision for tax (Net of Advance Tax) (Refer Note no. 47(a))	32.03	8.60
Total	32.03	8.60

24. Revenue from Operations

(₹ in crore)

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Contract Revenue	5,170.94	4,368.74
Company's share of turnover in Integrated Joint operations (unincorporated)	0.39	6.86
Machinery Hire Charges	16.66	11.41
Other Operating Revenue	14.46	28.09
Total	5,202.45	4,415.10

25. Other Income

(₹ in crore)

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest Income :		
Interest on Tax Free Bonds	22.10	22.07
Interest on Refund of Income-tax	-	34.81
Interest on Staff Advances	0.10	0.14
Interest on Loan to Related Parties *	100.17	85.10
Interest on Other Advances	26.33	11.40
Less:- Other Interest Passed to Clients	(9.35)	(1.22)
Interest Income on Unwinding of Financial Instruments	0.14	0.39
Bank Interest Gross	163.74	190.98
Less:- Bank Interest Passed to Clients	(110.78)	(128.11)
Others :		
Profit on Sale of Assets	29.00	15.59
Profit on Sale of Mutual Funds	0.96	-
Miscellaneous Income	12.86	23.65
Dividend Income	6.15	14.68
Less:-Dividend Passed to Clients	(2.15)	(5.04)
Total	239.27	264.44

* Interest on Loan to Related Parties:

Particulars of Related Parties	2019-20	2018-19
- Ircon Infrastructure & Services Limited	-	-
- Chhattisgarh East Railway Limited	-	-
- Chhattisgarh East-West Railway Limited	3.61	4.88
- Ircon Shivpuri Guna Tollway Limited	52.81	52.60
- Ircon Davanagere Haveri Highway Limited	17.51	2.40
- Ircon Vadodara Kim Expressway Limited	6.30	-
- Ircon PB Tollway Limited	19.94	25.22
	100.17	85.10

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

26. (i) Materials and Stores consumed

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Opening Balance		54.77	32.24
Add: Purchases during the year	(i)	352.22	413.22
		406.99	445.46
Less: Closing Balance		(57.28)	(54.77)
Total		349.71	390.69

(i) Includes Exchange gain/ (loss) of Ind AS for ₹ (1.70) crore (As at 31st March 2019 : ₹ (0.80) crore).

26. (ii) (Increase)/ Decrease in WIP

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Opening Balance		277.17	108.31
Add : Adjustments during the year for Exchange gain/ (loss)		2.10	(0.51)
		279.27	107.80
Less : Closing Balance		(263.38)	(169.37)
Total		15.89	(169.37)

26. (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Work Expenses	(i)	3,942.13	3,401.52	-	-
Design, Drawing, Business Development & Consultancy Charges		3.62	9.21	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		16.77	12.95	-	-
Repairs and Maintenance of Machinery		4.77	6.28	-	-
Hire Charges of Machinery		9.04	7.63	-	-
Exchange Fluctuation Loss		-	-	17.75	24.85
Less:- Exchange Fluctuation Gain		-	-	17.54	22.37
Net Exchange Fluctuation Loss		-	-	0.21	2.48
Rent - (Non-residential {Refer note 42 (a)})		5.44	5.78	1.36	1.57
Rates and Taxes		32.13	32.00	0.98	0.45
Vehicle Operation and Maintenance		12.84	15.75	1.47	1.48
Repairs and Maintenance					
- Building		0.04	0.13	0.91	0.79
- Office and Others		3.22	4.13	5.03	4.87
Power, Electricity and Water charges		2.65	2.75	1.76	1.59
Insurance		3.92	4.70	0.45	0.25
Travelling & conveyance		12.12	13.86	2.00	2.16
Printing & stationery		1.11	1.33	0.80	0.78
Postage, telephone & telex		1.44	1.53	0.52	0.62
Legal & Professional charges		20.62	19.05	5.82	7.42
Security services		1.61	2.76	0.68	0.62
Listing Expenses (Refer note No. 16)		-	-	0.23	4.19
Business promotion		0.19	0.21	0.97	0.62
Write-off of :					
- Debts		-	0.27	-	-
- Advances		-	0.37	-	-
- Other Assets		0.04	0.30	-	-
Loss on sale of Assets / Stores		-	-	0.55	1.16
Director sitting fee		-	-	0.21	0.14
Donation		-	-	0.02	0.03

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Auditors remuneration	(ii)	-	-	0.70	0.80
Advertisement & publicity		-	-	4.03	5.57
Training & Recruitment		-	-	1.22	1.50
Corporate social responsibility (Refer Note 45)		-	-	10.04	8.75
Miscellaneous expenses		5.96	5.92	1.92	1.61
Proportionate share of expenses in Integrated Joint operations (unincorporated)		0.22	3.47	-	-
Provisions (Addition - Write Back) (Refer Note 19)		16.27	(9.21)	-	-
Provisions Utilised (Refer Note 19)		(39.09)	(27.07)	-	-
Total		4,057.06	3,515.62	41.88	49.45

(i) Includes write back / reversal of Agency Commission during the financial year 2019-2020, payable for foreign projects for an amount of ₹ 84.13 crore.

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

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
(a) Audit Fee - current year	0.30	0.39
(b) Tax Audit Fees - current year	0.09	0.12
(c) Fee for Quarterly Limited Review	0.17	0.10
(d) Certification Fees	0.07	0.05
(e) Travelling & out of pocket expenses:		
- Travelling Expenses	0.02	0.05
- Out of Pocket Expenses	0.05	0.09
Total	0.70	0.80

27. Employee Remuneration and Benefits

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020			For the year ended 31 st March 2019		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	145.28	69.30	214.58	152.78	55.15	207.93
Contribution to Provident and Other Funds		8.46	3.90	12.36	8.34	3.62	11.96
Foreign Service Contribution		0.97	0.92	1.89	1.70	0.23	1.93
Retirement Benefits		17.29	13.58	30.87	16.37	10.84	27.21
Staff Welfare		1.30	0.37	1.67	1.37	0.30	1.67
Total		173.30	88.07	261.37	180.56	70.14	250.70

Foot Notes:- (i) Includes income-tax on non-monetary perks ₹ 0.51 crore (As at 31st March 2019 : ₹ 0.56 crore).

28. Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest Expense	(i)	238.75	282.79
Less: Interest on Advance to Rail Land Development Authority (RLDA)		(220.35)	(278.36)
Other Borrowing Cost			
- Bank Guarantee & Other Charges		7.50	8.66
Interest on Unwinding of Financial Instruments		-	0.01
Amortisation of Financial Instruments		0.14	0.39
Unwinding of Discount on Provisions		1.27	2.08
Total		27.31	15.57

Foot Notes:- (i) Includes interest on income-tax ₹ 6.66 crore (As at 31st March 2019 : ₹1.51 crore).

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

29. Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Depreciation of Property, Plant and equipment	13.95	11.22
Depreciation of Right to Use - Lease Assets	0.33	-
Amortization of Intangible Assets	0.54	0.44
Depreciation of Investment Property	1.10	0.04
Impairment of Assets	0.01	-
Total	15.93	11.70

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	Remeasurement Gain/(Loss) on Defined Benefit Plans (Presented in Retained Earning)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Remeasurement Gain/(Loss) on Defined Benefit Plans	1.20	1.97
Income Tax relating to Items that will not be reclassified to profit or loss	(0.30)	(0.69)
Total	0.90	1.28

(₹ in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Foreign Exchange Translation Differences	(5.15)	(13.94)
Income Tax relating to Items that will be reclassified to profit or loss	1.30	4.87
Total	(3.85)	(9.07)
Grand Total	(2.95)	(7.79)

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

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

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments				
Investments in Tax Free Bonds	291.45	-	-	291.45
(ii) Loans	1,472.48	-	-	1,472.48
(iii) Other Financial Assets	3,709.67	-	-	3,709.67
Total	5,473.60	-	-	5,473.60

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	1,845.92	-	-	1,845.92
(ii) Other Financial Liabilities	3,328.98	-	-	3,328.98
Total	5,174.90	-	-	5,174.90

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

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	99.73	99.73	-	-
Total	99.73	99.73	-	-
Financial Assets at Amortized Cost				
(i) Investments				
Investments in Tax Free Bonds	291.40	-	-	291.40
(ii) Loans	1,070.75	-	-	1,070.75
(iii) Other Financial Assets	4,344.08	-	-	4,344.08
Total	5,706.23	-	-	5,706.23

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	2,560.00	-	-	2,560.00
(ii) Other Financial Liabilities	2,635.19	-	-	2,635.19
Total	5,195.19	-	-	5,195.19

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 2019-20 and 2018-19, 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 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, 2020 and March 31, 2019, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹ 16.27 crore and ₹ 1.41 crore respectively.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

The Company's significant exposure to foreign currency risk at the end of reporting period are as follows:

As at 31 March 2020

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	ZAR	JPY	Total
Assets									
Trade Receivables	27.34	0.32	21.37	-	-	1.68	-	-	50.71
Cash & Bank Balances	44.23	60.42	74.19	-	13.30	24.64	15.70	-	232.48
Advance to Contractors	1.51	-	0.70	24.42	-	-	-	-	26.63
Other Assets	109.21	-	71.24	112.63	0.93	0.61	15.81	-	310.43
Total	182.29	60.74	167.50	137.05	14.23	26.93	31.51	-	620.25
Liabilities									
Trade Payables	43.84	8.43	35.47	7.94	9.45	0.99	-	-	106.12
Advance from Client	78.48	-	-	-	-	0.26	-	-	78.74
Other Liabilities	10.40	1.45	49.71	-	0.96	1.96	45.53	-	110.01
Total	132.72	9.88	85.18	7.94	10.41	3.21	45.53	-	294.87

As at 31 March 2019

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	ZAR	JPY	Total
Assets									
Trade Receivables	111.35	20.75	23.00	-	-	0.09	-	73.09	228.28
Cash & Bank Balances	39.30	9.81	64.49	1.93	1.17	9.04	18.36	-	144.10
Advance to Contractors	-	-	0.25	11.03	-	-	1.53	-	12.81
Other Assets	7.38	1.03	29.38	53.62	0.09	0.49	13.31	-	105.30
Total	158.03	31.59	117.12	66.58	1.26	9.62	33.20	73.09	490.49
Liabilities									
Trade Payables	57.31	14.87	15.85	10.90	0.01	0.73	2.91	24.62	127.20
Advance from Client	86.70	-	-	-	-	0.63	-	-	87.33
Other Liabilities	21.18	4.49	37.03	37.12	0.59	2.14	31.58	-	134.13
Total	165.19	19.36	52.88	48.02	0.60	3.50	34.49	24.62	348.66

(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.

226 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

Exposure to Credit Risk		(₹ in crore)	
Particulars	31-03-2020	31-03-2019	
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)			
Non Current Investments	1,468.52	1,214.50	
Non Current Loans	1,409.68	995.81	
Other Non Current Financial Assets	1,886.64	2,600.33	
Current Investments	-	99.73	
Cash and Cash Equivalents	769.04	875.24	
Other Bank Balances	1,731.84	2,038.94	
Current Loans	62.80	74.94	
Other Current Financial Assets	1,146.08	1,175.01	
Financial Assets for which allowance is measured using Simplified Approach			
Trade Receivables	586.52	532.42	
Contract Assets	695.03	580.94	

Summary of change in loss allowances measured using Simplified approach		(₹ in crore)	
Particulars	31-03-2020	31-03-2019	
Opening Allowances	39.01	40.06	
Provided during the year	-	1.43	
Utilization during the year	-	(0.65)	
Amount written-off	(0.15)	(1.83)	
Closing Allowances	38.86	39.01	

During the year, the Company has recognised loss allowance of ₹ Nil (31 March, 2019 : ₹ 1.43 crore).

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

Particulars	31-03-2020	31-03-2019	
Opening Allowances	0.46	0.29	
Provided during the year	5.94	0.20	
Utilization during the year	(0.01)	-	
Amount written-off	-	(0.03)	
(Exchange Gain) / Loss	0.01	-	
Closing Allowances	6.40	0.46	

No significant changes in estimation techniques or assumptions were made during the reporting period. During the year, the Company has recognised loss allowance of ₹ 5.94 crore (31 March, 2019 : ₹ 0.20 crore).

c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. The treasury department regularly monitors the position of Cash and Cash Equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position. The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The senior Management of the Company oversees its investment strategy and achieve its investment objectives. The Company typically invests in government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss. The NHAI bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

The table below provides details regarding the significant financial liabilities as at 31 March 2020 and 31 March 2019 (₹ in crore)

Particulars	As at 31 March, 2020		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	615.31	1,230.61
Trade payables	576.85	-	-
Other financial liabilities	2,941.73	387.25	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	As at 31 March, 2019		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	640.00	1,920.00
Trade payables	548.60	-	-
Other financial liabilities	2,294.19	341.00	-

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	
	31-03-2020	31-03-2019
Revenue from top 5 Projects	2,781.59	2,129.33
	2,781.59	2,129.33

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 :-

Dividends :-

(₹ in crore)

Particulars	31-Mar-20	31-Mar-19
Dividend Paid	228.31	198.07
Total	228.31	198.07

The BoD has recommended a Final Dividend of ₹ 2.06 per equity share on face value of ₹ 2/- per equity share for the financial year 2019-2020, subject to the approval of the shareholders at the AGM. This is in addition to Interim Dividend paid @ ₹ 13.45 per Share on face value of ₹ 10/- per equity share.

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Consequent upon Govt. of India decision to disinvest 99,05,157 number of shares of the company, shares of the company were listed on NSE and BSE on 28th September 2018 and the proceeds have been realized by Govt. of India.

Loan raised by the Company from IRFC in the financial year 2017-18 which in turn has been given to RLDA will be repaid from the amount received from RLDA.

Debt Equity Ratio :-

(₹ in crore)

Particulars	31-Mar-20	31-Mar-19
Borrowings (Note No. 18.1)	1,845.92	2,560.00
Long Term Debt	1,845.92	2,560.00
Equity (Note No. 16)	94.05	94.05
Other Equity (Note No. 17)	4,067.08	3,855.49
Total Equity	4,161.13	3,949.54
Debt Equity Ratio	0.44	0.65

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

32. Disclosure as required by Ind AS 1 "Presentation of Financial Statements"

Changes in significant accounting policies:

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

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

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

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

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

(₹ in crore)

Assets	Amount
Right-of-use assets	5.50
Property, plant and equipment	(5.29)
Prepayments	-
Total assets	0.21
Liabilities	
Financial liabilities - Lease liabilities	0.21
Total liabilities	0.21

The Company has lease contracts for land, office, guest houses and vehicles. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases. Refer accounting policy on Ind AS 116. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under IAS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019

Leases previously accounted for as operating leases

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

The Company also applied the available practical expedients wherein it:

- (i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- (ii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
- (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- (iv) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

Particulars	As at April 01, 2019
Assets	
Operating lease commitments as at March 31, 2019	-
Weighted average incremental borrowing rate as at April 01, 2019	8.77%
Discounted operating lease commitments as at April 01, 2019	0.21
Less:	
Commitments relating to short-term leases	-
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	-
Lease liabilities as at April 01, 2019	0.21

33. Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

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

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

Balance Sheet as at 31st March, 2019

(₹ in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Property, Plant and Equipment	128.19	127.95	0.24
2	Other Current Financial Assets	1636.44	1627.85	8.59
3	Other Equity	3,855.49	3,846.66	8.83

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Revenue from Operations	4,415.10	4,406.51	8.59
2	Depreciation, Amortisation and Impairment	11.70	11.94	(0.24)
3	Profit for the year	444.68	435.85	8.83
4	Basic Earnings Per Share	47.28	46.34	0.94
5	Diluted Earnings Per Share	47.28	46.34	0.94

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Revenue from Operations	5,202.45	5,211.04	(8.59)
2	Depreciation, Amortisation and Impairment	15.93	15.69	0.24
3	Profit for the year	489.78	498.61	(8.83)
4	Basic Earnings Per Share	52.08	53.01	(0.94)
5	Diluted Earnings Per Share	52.08	53.01	(0.94)

230 (b) Certain other changes have also been made in all the policies for improved disclosures. There is no impact on the financial statements due to these changes, however, the policy numbers have been changed or rearranged in the current year as required

(c) 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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

34. Employee Benefits

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

(i) 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 ₹ 8.97 crore for the period from April 01, 2019 to March 31, 2020 has been paid and accounted for during the period 2019-20.

(ii) 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 amount available in the fund including the returns on investment is greater than the obligation of the company. During the period, the Company has contributed ₹ 12.36 crore (₹ 11.83 crore) to the trust.

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, 2020 a liability of ₹ 3.32 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 also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, Company has also kept provision of ₹ 10.45 crore (₹9.27 crore), based on the decision of management.

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, 2020 is as under:

i) Changes in the present value of the defined benefit obligation

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Defined benefit obligation at the beginning of the period	341.76	295.51	83.69	82.03	101.20	95.74	1.28	1.29
Current service cost	43.39	43.25	4.13	3.96	3.57	3.54	0.07	0.06
Past service cost	-	-	-	-	-	-	-	-
Interest cost	29.60	22.16	6.28	6.15	7.59	7.18	0.10	0.10
Benefits paid	(36.32)	(18.67)	(7.31)	(7.25)	(2.95)	(2.22)	(0.07)	(0.02)
Actuarial (gain) / loss on obligations	1.80	(0.50)	(1.09)	(1.20)	1.56	(3.03)	(0.09)	(0.15)
Defined benefit obligation at the end of the period	380.23	341.76	85.71	83.69	110.96	101.20	1.28	1.28

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

ii) Changes in fair value of plan assets

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Fair value of plan assets at the beginning of the period	350.06	296.12	79.69	67.97	83.52	71.28	-	-
Contribution by employer & employee	43.39	43.25	4.01	13.47	4.49	8.32	-	-
Benefits paid	(36.32)	(18.67)	(7.31)	(7.25)	(2.95)	(2.22)	-	-
Interest income	27.89	29.36	6.35	5.83	6.01	5.35	-	-
Return on plan asset excluding interest income	-	-	-	-	-	0.80	-	-
LIC mortality charges	-	-	(0.36)	(0.33)	-	-	-	-
Fair value of plan assets at the end of the period	385.03	350.06	82.39	79.69	91.07	83.52	-	-

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 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Fair value of plan assets	385.03	350.06	82.39	79.69	91.07	83.52	-	-
Defined benefit obligation	380.23	341.76	85.71	83.69	110.96	101.20	1.28	1.28
Amount recognised in the Balance Sheet	4.80	8.31	(3.32)	(4.01)	(19.90)	(17.68)	(1.28)	(1.28)

iv) Amount recognised in Statement of profit and loss

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Current service cost	12.43	11.83	4.13	3.97	3.57	3.54	0.07	0.06
Past service cost	-	-	-	-	-	-	-	-
Net interest expense	-	-	0.30	1.08	1.33	1.83	0.10	0.10
Amount recognised in statement of Profit and Loss	12.43	11.83	4.43	5.04	4.89	5.37	0.16	0.16

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 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Actuarial changes arising from changes in demographic assumptions	(0.00)	-	0.03	-	0.06	3.03	(0.00)	-
Actuarial changes arising from changes in financial assumptions	(0.03)	-	(1.74)	-	(5.33)	0.80	(0.02)	-
Experience adjustments	(1.77)	0.50	2.80	1.20	3.72	-	0.11	0.15
Return on Plan Assets excluding Interest Income	(1.71)	7.20	0.02	0.70	(0.26)	-	-	-
Amount recognised in Other Comprehensive Income	(3.51)	7.70	1.11	1.91	(1.81)**	3.83	0.09**	0.15

** The unrecognized actuarial gain/loss (OCI) of ₹ (1.81) crore (₹ 3.83 crore) in respect of liability towards Post-Retirement Medical Benefits (PRMB). Since the liability in respect of PRMB has not been provided as per Actuarial valuation and has been restricted as per DPE guidelines, therefore, the OCI in respect of PRMB, as per Actuarial valuation, has not been considered.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Government of India securities	60.17%	63.41%	-	-	9.52%	10.50%	-	-
State Government securities	-	-	-	-	30.86%	31.87%	-	-
Central & State Guaranteed Bonds	-	-	-	-	18.73%	21.03%	-	-
High quality corporate bonds	36.17%	34.78%	-	-	23.40%	25.83%	-	-
PSU Bond	-	-	-	-	7.35%	2.68%	-	-
PSU Basel III Tier I Bonds	-	-	-	-	8.25%	6.27%	-	-
Debt Mutual Fund	0.29%	-	-	-	-	-	-	-
ETF/INDEX/Equity Mutual Fund	3.37%	1.81%	-	-	1.89%	1.82%	-	-
Fund Managed by Insurer	-	-	100.00%	100.00%	-	-	-	-
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%

vii) The principal assumptions used in determining PF/Gratuity/PRMB/Retirement Allowance liability for the Company's plans are shown below: (₹ in crore)

Particulars	PF For the year ended 31 st March, 2020	PF For the year ended 31 st March, 2019	Gratuity For the year ended 31 st March, 2020	Gratuity For the year ended 31 st March, 2019	PRMB For the year ended 31 st March, 2020	PRMB For the year ended 31 st March, 2019	Retirement Allowance For the year ended 31 st March, 2020	Retirement Allowance For the year ended 31 st March, 2020
Discount rate	6.92%	7.50%	6.92%	7.50%	6.92%	7.50%	6.92%	7.50%
Future salary increase	7.50%	8.00%	7.50%	8.00%	7.50%	8.00%	7.50%	8.00%
Mortality rate	100% IALM (2012-14)	100% IALM (2006-08)	100% IALM (2012-14)	100% IALM (2006-08)	100% IALM (2012-14)	100% IALM (2006-08)	100% IALM (2012-14)	100% IALM (2006-08)

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)	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Present value of obligation at the end of period	380.23	341.76	85.71	83.70	110.96	-	1.28	-
Discount rate	-	-	-	-	-	-	0.07	0.08
Increase by 0.50%	(0.03)	(0.03)	(2.40)	(2.32)	(4.19)	-	(0.05)	-
Decrease by 0.50%	0.03	0.03	2.56	2.47	4.51	-	0.05	-
Future salary increases	-	-	-	-	-	-	0.08	0.08
Increase by 0.50%	-	-	1.10	1.13	-	-	0.05	-
Decrease by 0.50%	-	-	(1.13)	(1.18)	-	-	(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 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 ₹ 25.68 Crore

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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	91.55	13.72	2.91	0.18
2	-	11.25	5.24	0.16
3	-	9.81	5.82	0.14
4	-	8.03	6.82	0.12
5	118.20	7.28	7.61	0.12
6	-	6.92	8.24	0.11
6 year onward	170.27	28.71	74.34	0.45
Total	380.02	85.71	110.96	1.28

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:

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.

35. 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 ShivpuriGuna Tollway Limited
 Ircon Davanagere Haveri Highway Limited
 Ircon Vadodara Kim Expressway Limited

(ii) Joint Venture Companies

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

(iii) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation

IRCON-AFCONS
 Express Freight Consortium
 Express Freight Railway Consortium

Completed Joint Operations

International Metro Civil Contractor
 Metro Tunnelling Group

Financially Closed Joint Operations

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

Whole Time Directors

Name	Designation
Shri S.K. Chaudhary	CMD & Chief Executing Officer (CEO)
Shri M.K. Singh	Director (Finance) & Chief Financial Officer (CFO)
Shri Shyam Lal Gupta	Director (Projects), w.e.f 01.11.2019
Shri Yogesh Kumar Misra	Director (Works)
Shri Deepak Sabhlok	Former Director (Projects), ceased to be director and KMP on 31.10.2019 upon attaining the age of superannuation

Company Secretary

Name	Designation
Ms. Ritu Arora	Company Secretary

(B) Other Directors

Government Nominee Part-Time (Official) Directors

Name	Designation
Shri Piyush Agarwal	Non-executive Director upto 31.03.2020
Shri S.C. Jain	Non-executive Director, upto 8 th May, 2019
Shri Hari Mohan Gupta	Non-executive Director, w.e.f. 15 th May, 2019

Independent Directors

Name	Designation
Dr. C.B Venkataramana	Non-executive Director
Dr. Narendra Singh Raina	Non-executive Director
Shri Ashok Kumar Ganju	Non-executive Director
Shri Avineesh Matta	Non-executive Director, re-appointed w.e.f. 15 th July, 2019 upto 31.03.2020
Prof. Vasudha V. Kamat	Non-executive Director, re-appointed w.e.f. 15 th July, 2019 upto 31.03.2020

(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 Company is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways. The Company is controlled by Government of India (GOI), by holding 89.18% of equity shares in the name of President of India as at 31st March, 2020. Pursuant to Para 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements.

The Company has significant transaction with the following government related entities:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

(₹ in crore)

S. No.	Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
1	Short term employment benefits (i)	3.27	1.89
2	Other long-term employment benefits	0.58	0.28
3	Sitting fees	0.20	0.14
	Total	4.05	2.31

Note: (i) Figures of FY 2019-20 include PRP of ₹ 1.02 crore paid during the year for FY 2017-18 & FY 2018-19 on provisional basis (FY 2018-19 include PRP of ₹ 0.22 crore paid during the year for the FY 2016-17).

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

Transactions with other related parties are as follows :

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	For the year ended 31 st March 2020	For the year ended 31 st March 2019
1	Sale of goods and services				
1.1	Contract Revenue	Ircon Infrastructure and Services Limited	Subsidiary Companies	1.32	-
		Ircon PB Tollway Limited	Subsidiary Companies	107.29	148.21
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	-	49.32
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	415.06	261.81
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	403.55	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	332.19	379.01
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	21.70	14.84
		Mahanadi Coal Rail Limited	Joint Venture Companies	21.75	14.83
		Jharkhand Central Railway Limited	Joint Venture Companies	9.49	11.48
		Baster Railway Private Limited	Joint Venture Companies	21.19	-
		Express Freight Consortium	Joint Operations	355.86	224.85
		Express Freight Railway Consortium	Joint Operations	2.34	0.99
		Ministry of Railways	Government Related Entities	3,072.95	2,400.74
1.2	Rent Income	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.18	0.17
		Ircon PB Tollway Limited	Subsidiary Companies	0.02	0.02
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.02	0.02
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.02	0.02
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.02	0.02
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.03	0.03
2	Purchase of goods and services	Ircon Infrastructure and Services Limited	Subsidiary Companies	2.15	1.42
3	Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)	Ircon Infrastructure and Services Limited	Subsidiary Companies	3.35	2.25
		Ircon PB Tollway Limited	Subsidiary Companies	5.41	2.70
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.58	0.33
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.14	0.19
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	4.12	0.56
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.02	0.88
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.59	-
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.35	0.55
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	0.84	1.87
4	Interest Income				
4.1	Interest Income on loans	Ircon PB Tollway Limited	Subsidiary Companies	19.94	25.22
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	52.81	52.60
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	17.51	2.40
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	6.30	-
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	3.61	4.87

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	For the year ended 31 st March 2020	For the year ended 31 st March 2019
4.2	Interest Income on Advances	Ministry of Railways	Government Related Entities	114.12	125.81
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.26	-
		Rail Land Development Authority	Government Related Entities	220.97	278.36
4.3	Interest Income on Bonds	Indian Railway Finance Corporation	Government Related Entities	22.10	22.07
5	Dividend				
5.1	Dividend distribution	Ministry of Railways	Government Related Entities	203.61	176.64
5.2	Dividend Income Passed on	Ministry of Railways	Government Related Entities	2.15	5.04
6	Interest Expense				
6.1	Interest Expense on Advance	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	4.16	2.90
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	6.90	0.02
6.2	Interest Expense on Loan	Indian Railway Finance Corporation	Government Related Entities	220.35	278.36
7	Investment in Equity Shares	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	60.00	104.00
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	4.00	6.00
		Chhattisgarh East Railway Limited	Joint Venture Companies	-	39.00
		Baster Railway Private Limited	Joint Venture Companies	-	75.16
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	14.20	5.80
8	Interest free Loan (Deemed Equity)	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	125.77	-
		Jharkhand Central Railway Limited	Joint Venture Companies	50.00	-
9	Loans granted	Ircon PB Tollway Limited	Subsidiary Companies	136.89	97.00
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	18.00	35.77
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	139.22	130.00
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	181.00	-
10	Recovery of Loans	Ircon PB Tollway Limited	Subsidiary Companies	57.52	-
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	15.44	-
11	Recovery of Advances	Rail Land Development Authority	Government Related Entities	615.30	615.30
12	Repayment of Loans	Indian Railway Finance Corporation	Government Related Entities	615.30	615.30
13	Advances Received	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	102.69
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	153.56	0.75
		Chhattisgarh East Railway Limited	Joint Venture Companies	3.67	22.36
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	9.17	11.30
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.98	5.82
		Jharkhand Central Railway Limited	Joint Venture Companies	-	1.19
		Baster Railway Private Limited	Joint Venture Companies	0.26	-
		Ministry of Railways	Government Related Entities	1,538.70	1,433.97
14	Repayment of Advances	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	58.86	30.00
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	62.07	-
		Ministry of Railways	Government Related Entities	1,523.58	1,715.73
15	Post Employment Benefit Plans				
15.1	Contribution made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	4.01	13.45
		Ircon Employees Contributory PF Trust	Post Employment Benefit Plans	43.39	28.27
		Ircon Medical Trust	Post Employment Benefit Plans	10.45	8.32
		Ircon Defind Contribution Superannuation Pension Scheme, 2009 Trust	Post Employment Benefit Plans	8.97	10.91
15.2	Reimbursements made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	5.79	7.25

Note: (i) Refer Note 39 for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations .
(ii) Purchases from Ministry of Railways are heterogenous in nature, thus immaterial. Hence not disclosed.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

c) Outstanding balances with the related parties are as follows:

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	As at 31 st March 2020	As at 31 st March 2019
1	Equity Investments (Including Deemed Equity)	Ircon Infrastructure and Services Limited Ircon PB Tollway Limited Ircon ShivpuriGuna Tollway Limited Ircon Davanagere Haveri Highway Limited Ircon Vadodara Kim Expressway Limited Ircon-Soma Tollway Private Limited Chhattisgarh East Railway Limited Chhattisgarh East-West Railway Limited Mahanadi Coal Rail Limited Jharkhand Central Railway Limited Baster Railway Private Limited Indian Railway Station Development Corporation Limited	Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies	65.00 165.00 150.00 164.05 135.77 64.15 122.58 131.17 0.01 63.00 76.34 40.00	65.00 165.00 150.00 104.05 6.00 64.15 122.58 131.17 0.01 13.00 76.34 25.80
2	Investment in Bonds	Indian Railway Finance Corporation	Government Related Entities	221.47	221.42
3	Amount Recoverable towards loans granted	Ircon PB Tollway Limited Ircon ShivpuriGuna Tollway Limited Ircon Davanagere Haveri Highway Limited Ircon Vadodara Kim Expressway Limited Chhattisgarh East-West Railway Limited Sh. M.K. Singh	Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies Key Management Personnel	417.22 564.15 269.22 181.00 39.00 0.00	337.85 561.59 130.00 - 39.00 0.01
4	Amount recoverable other than loans				
4.1	Trade Receivables	Ircon Infrastructure and Services Limited Ircon PB Tollway Limited Ircon ShivpuriGuna Tollway Limited Ircon Davanagere Haveri Highway Limited Ircon Vadodara Kim Expressway Limited Ircon-Soma Tollway Private Limited Chhattisgarh East Railway Limited Chhattisgarh East-West Railway Limited Baster Railway Private Limited Express Freight Consortium Express Freight Railway Consortium Ministry of Railways	Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Operations Joint Operations Government Related Entities	1.53 4.71 0.52 25.33 164.50 0.06 34.40 8.23 16.64 134.72 1.42 19.29	- - 18.97 - - 7.63 56.16 6.61 16.80 7.89 - -
4.2	Contract Assets				
(a)	Billable Revenue/ Receivable not due and CWIP at Realisable Value	Ircon PB Tollway Limited Ircon Davanagere Haveri Highway Limited Chhattisgarh East Railway Limited Chhattisgarh East-West Railway Limited Baster Railway Private Limited Express Freight Consortium Ministry of Railways	Subsidiary Companies Subsidiary Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Operations Government Related Entities	2.98 - 26.68 21.41 21.19 91.43 25.95	31.30 20.78 54.60 31.17 - - 9.58
(b)	Retention Money and Money Withheld	Mahanadi Coal Rail Limited Express Freight Consortium Ministry of Railways	Joint Venture Companies Joint Operations Government Related Entities	2.28 32.04 0.81	- - 0.81
4.3	Advance and Claims Recoverable	Ircon Infrastructure and Services Limited Ircon PB Tollway Limited Ircon ShivpuriGuna Tollway Limited Ircon Davanagere Haveri Highway Limited Ircon Vadodara Kim Expressway Limited Ircon-Soma Tollway Private Limited Chhattisgarh East Railway Limited Mahanadi Coal Rail Limited Jharkhand Central Railway Limited Baster Railway Private Limited	Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Subsidiary Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies Joint Venture Companies	1.33 0.32 0.57 0.02 0.10 0.02 0.60 1.40 - 0.56	1.22 1.41 0.45 0.05 0.12 - 0.24 1.04 0.04 -

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For the year ended 31st March 2020

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	As at 31 st March 2020	As at 31 st March 2019
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	0.99	0.96
		IRCON-AFCONS	Joint Operations	29.43	-
		International Metro Civil Contractor	Joint Operations	3.66	3.62
		Metro Tunnelling Group	Joint Operations	4.37	4.20
4.4	Interest Accrued on loans	Rail Land Development Authority	Government Related Entities	2,485.87	3,106.98
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	8.15	4.40
4.5	Interest Accrued on advances	Rail Land Development Authority	Government Related Entities	212.85	274.42
4.6	Interest Accrued on bonds	Indian Railway Finance Corporation	Government Related Entities	17.86	17.83
4.7	Recoverables from Trusts	Ircon Gratuity Trust	Post Employment Benefit Plans	5.80	2.92
5	Borrowings	Indian Railway Finance Corporation	Government Related Entities	2,461.23	3,076.53
6	Amount Payable towards				
6.1	Trade Payables	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.80	1.44
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.09
		Ministry of Railways	Government Related Entities	0.10	-
6.2	Contract Liabilities (Advances and Advance Contract Receipts)	Ministry of Railways	Government Related Entities	1,303.94	1,780.70
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	29.00	138.51
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	296.87	0.76
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	44.55	45.00
		Chhattisgarh East Railway Limited	Joint Venture Companies	57.11	70.84
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	30.35	32.05
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.98	5.82
		Jharkhand Central Railway Limited	Joint Venture Companies	-	1.19
		Baster Railway Private Limited	Joint Venture Companies	0.26	-
		Express Freight Consortium	Joint Operations	148.61	-
6.3	Other Payable to Client	Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.09
		Ministry of Railways	Government Related Entities	651.36	458.74
6.4	Interest Payable on Borrowings	Indian Railway Finance Corporation	Government Related Entities	210.00	272.77
6.5	Interest Payable on Advances	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	3.59	-
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.26	-
		Ministry of Railways	Government Related Entities	204.81	-
6.6	Payable to Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	3.32	4.01

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.

36. 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 Subsidiary Company	Principal Place of Business and Country of Incorporation	As at 31 st March 2020		As at 31 st March 2019	
			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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

Investment in Joint Venture Companies

S. No.	Name of Subsidiary Company	Principal Place of Business and Country of Incorporation	As at 31 st March 2020		As at 31 st March 2019	
			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	25.91	26.00	27.79	26.00
3	Chhattisgarh East-West Railway Limited	Chhattisgarh, India	26.02	26.00	26.02	26.00
4	Mahanadi Coal Rail Limited	Odisha, India	26.00	26.00	26.00	26.00
5	Jharkhand Central Railway Limited	Jharkhand, India	23.59	26.00	26.00	26.00
6	Baster Railway Private Limited	Chhattisgarh, India	26.00	26.00	26.00	26.00
7	Indian Railway Station Development Corporation Limited	Delhi NCR, India	50.00	50.00	50.00	50.00

Investment in Joint Operations

S. No.	Name of Subsidiary Company	Principal Place of Business and Country of Incorporation	As at 31 st March 2020		As at 31 st March 2019	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
i)	For projects in operation:					
	IRCON-AFCONS	Bangladesh	53.00	53.00	53.00	53.00
	Express Freight Consortium	Gujrat 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)	Completed Joint Operations					
	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
iii)	Financially Closed Joint Operations					
	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. Financial Interest in Joint Operations (to the extent of Company's share)

(₹ in crore)

S. No.	Particulars	Name of the Joint Operation							
		IRCON-AFCONS		International Metro Civil Contractor		Metro Tunnelling Group		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	As at Year End:								
1	Assets								
	PPE	-	-	-	-	-	-	-	-
	Capital Work in Progress	-	-	-	-	-	-	-	-
	Other Assets	29.43	29.47	4.61	4.65	4.81	4.64	38.85	38.76
2	Liabilities								
	Provisions	0.18	0.18	0.04	0.08	0.37	0.34	0.59	0.60
	Other Liabilities	-	-	0.91	0.95	0.07	0.10	0.98	1.05
	For the year end:								
3	Total Income	-	5.36	0.09	0.91	0.31	0.30	0.39	6.57
4	Total Expenses	0.04	3.17	0.00	0.05	0.01	0.02	0.05	3.24
5	Total Taxes	-	-	0.04	0.08	0.13	0.11	0.17	0.19
6	Profit after tax	(0.04)	2.19	0.05	0.78	0.17	0.17	0.18	3.14
7	Other Comprehensive Income	-	-	-	-	-	-	-	-
8	Total Comprehensive Income	(0.04)	2.19	0.05	0.78	0.17	0.17	0.18	3.14

Note: Contingent Liabilities relating to Joint Operations are disclosed in Note 39.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

37. 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	Foot Note	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Profit attributable to Equity holders (₹ in crore)	(ii)	489.78	444.68
Weighted average number of equity shares for Basic and Diluted EPS (In Numbers)	(iii)	940,51,574.00	940,51,574.00
Earnings per share (Basic)		52.08	47.28
Earnings per share (Diluted)		52.08	47.28
Face value per share		10.00	10.00

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

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Profit for the year as per Statement of Profit and Loss	489.78	444.68
Profit attributable to Equity holders of the company used for computing EPS	489.78	444.68

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

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Opening balance of issued equity shares	940,51,574.00	940,51,574.00
Equity shares issued during the year	-	-
Weighted average number of equity shares for computing Basic EPS	940,51,574.00	940,51,574.00
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	940,51,574.00	940,51,574.00

38. 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."

39. 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' is as under:

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

S. No.	Particulars	Foot Note	As at 31 st March 2019	Addition during the year	Claims settled during the year			As at 31 st March 2020
					Out of the opening balance	Out of addition during the year	Total Claims Settled during the year	
a)	Claims against the Company not acknowledged as debts :							
	Disputed Direct tax demands							
	(i) in respect of the Company	1	237.25	115.42	(49.20)	-	(49.20)	303.47
	(ii) in respect of the Joint Operations	2	0.24	-	-	-	-	0.24
	Disputed Indirect tax demands							
	(i) in respect of the Company	3	357.81	52.41	(13.28)	-	(13.28)	396.94
	(ii) in respect of the Joint Operations	4	4.25	-	-	-	-	4.25
	Legal Cases							
	(i) in respect of the Company	5	493.73	136.57	(119.98)	-	(119.98)	510.32
	(ii) in respect of the Joint Operations	6	0.02	-	-	-	-	0.02
	Claims by Employees	7	-	-	-	-	-	-
b)	Guarantees (excluding financial guarantees) issued by the company on behalf of							
	Subsidiaries Companies	8	4.02	5.98	-	-	-	10.00
	Joint Operations	9	1.40	-	-	-	-	1.40
c)	Other money for which company is contingent liable							
	Liquidated damages pending disposal of application for extension of time by clients		9.27	-	-	-	-	9.27
	Total		1,107.99	310.38	(182.46)	-	(182.46)	1,235.91

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.
- In case of International Metro Tunnelling Group, a Joint Operation of the Company, income tax authorities during the assessment of FY 2010-11, 2012-13 & 2013-14 has raised demand amounting to ₹ 0.24 crore (₹ 0.24 crore) on account of Income related to Excise Duty for the FY 2008-09 & 2011-12 declared in later years. The joint operation had filed appeals before the appropriate appellate authorities against these demands for said financial years. The Company is jointly liable for the said demands upto the share of interest in Joint operation. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- 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 ₹ 293.45 crore (₹ 110.44 crore) which has been reimbursed by the client and ₹ 202.34 crore (₹ 167.82 crore) are 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 ₹ 4.25 crore (₹ 4.25 crore) on account of disallowance of labour expenses. The joint operation had filed appeals before the appropriate appellate authorities against the demand. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- 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,

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 ₹ 613.84 crore (₹ 579.51 crore), provision of ₹ 103.52 crore (₹ 85.79 crore) has been made and balance ₹ 510.32 crore (₹ 493.73 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 ₹ 137.11 crore (₹ 185.79 crore). Interest on claims is not considered, being unascertainable.

6. 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.
7. 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.
8. The Company has given bank guarantee on behalf of its subsidiary company, Ircon Infrastructure and Services Limited for an amount of ₹ 10.00 crore (₹ 4.02 crore) for performance guarantee to clients.
9. The Company has given bank guarantee on behalf of its joint operation, Ircon-RCS-PFLEIDERER for an amount of ₹ 1.40 crore (₹ 1.40 crore) for execution of Design and construction broad gauge ballastless track in Udampur-Katra section.

(iii) Contingent Assets

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

- 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 ₹ 419.46 crore (₹ 398.57 crore) including interest calculated up to 31.03.2020 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 ₹ 22.81 crore (₹ 19.96 crore).
- c) Insurance Claim of USD 0.87 Mn (USD 0.86 Mn) and Ethiopian Birr 1.10 Mn (Birr 1.05 Mn) equivalent to ₹ 6.80 crore (₹ 6.14 crore) including interest calculated upto 31.03.2020 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 31 st March 2020	As at 31 st March 2019
a)	Capital Commitments			
	Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	43.12	56.15
b)	Other Commitments			
(i)	Funding committed by way of equity and loans in Subsidiary Companies	2	1108.31	1682.56
(ii)	Funding committed by way of equity and loans in Joint Venture Companies	3	61.70	111.70
(iii)	Counter Bank Guarantee for Subsidiary Companies	4	158.75	145.27
	Total		1,371.88	1,995.68

Foot Note:

(₹ in crore)

1.	S.No	Capital Commitments	As at 31 st March 2020	As at 31 st March 2019
	1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipment	2.01	47.59
	2	Estimated amount of contracts remaining to be executed on Investment Property	24.74	8.56
	3	Estimated amount of contracts remaining to be executed on Intangible Assets under development	16.37	-
		Total	43.12	56.15

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For the year ended 31st March 2020

(₹ in crore)

S. No.	Name of the Subsidiary	As at 31 st March 2020		As at 31 st March 2019	
		Equity	Loans	Equity	Loans
1	Ircon PB Tollway Limited	-	57.52	-	136.89
2	Ircon ShivpuriGuna Tollway Limited	-	157.96	-	160.52
3	Ircon Davanagere Haveri Highway Limited	53.00	233.78	113.00	373.00
4	Ircon Vadodara Kim Expressway Limited	-	606.05	4.00	895.15
	Total	53.00	1,055.31	117.00	1,565.56

(₹ in crore)

S. No.	Name of the Joint Venture	As at 31 st March 2020		As at 31 st March 2019	
		Equity	Loans	Equity	Loans
1	Chhattisgarh East Railway Limited	36.28	-	36.28	-
2	Chhattisgarh East-West Railway Limited	0.13	-	0.13	-
3	Mahanadi Coal Rail Limited	1.29	-	1.29	-
4	Baster Railway Private Limited	0.01	-	0.01	-
5	Jharkhand Central Railway Limited *	-	-	-	50.00
6	Indian Railway Station Development Corporation Limited	24.00	-	24.00	-
	Total	61.70	-	61.70	50.00

* Loan include interest free loan.

4. Counter guarantee to Indian Overseas Bank, State Bank of India & ICICI Bank for issuance of bank guarantee to subsidiary companies amounting to ₹ 500.00 crore (₹ 500.00 crore). Out of the total limit of Rs 500.00 crore, Indian Overseas Bank & ICICI Bank have issued bank guarantees to the extent of ₹ 341.25 crore (₹ 354.73 crore). Therefore, the balance limit for issuance of bank guarantees is ₹158.75 crore (₹ 145.27 crore).

40. Segment Reporting

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

A. General information

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

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

(₹ in crore)

Particulars	International		Domestic		Total	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Segment Revenue						
Revenue from external customers	443.35	585.55	4,759.10	3,829.55	5,202.45	4,415.10
Total Operating Revenue	443.35	585.55	4,759.10	3,829.55	5,202.45	4,415.10
Interest income	5.34	5.61	187.11	209.95	192.45	215.56
Other Income	27.62	13.30	19.20	35.58	46.82	48.88
Inter - segment	-	-	-	-	-	-
Total Revenue	476.31	604.46	4,965.41	4,075.08	5,441.72	4,679.54
Segment Result						
Profit before provision, depreciation, interest and exceptional item and tax	201.37	33.07	521.80	589.03	723.17	622.10
Less: Provisions and write back	(7.02)	7.48	(9.25)	1.73	(16.27)	9.21

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

Particulars	International		Domestic		Total	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Less: Depreciation, amortization and impairment	(3.78)	(4.14)	(12.15)	(7.56)	(15.93)	(11.70)
Less: Interest	-	-	(18.40)	(4.43)	(18.40)	(4.43)
Profit before tax	190.57	36.41	482.00	578.77	672.57	615.18
Less: Tax expense	(27.61)	(19.07)	(155.18)	(151.43)	(182.79)	(170.50)
Profit after tax	162.96	17.34	326.82	427.34	489.78	444.68

C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Total Assets	647.03	600.77	11,997.08	12,368.67	12,644.11	12,969.44
Total Liabilities	576.57	613.59	7,906.41	8,406.31	8,482.98	9,019.90
Investment in joint ventures accounted for by equity method	-	-	-	-	-	-
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	29.39	32.26	875.89	778.41	905.28	810.67
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.21	0.73	136.90	174.94	137.11	175.67

D. Information about major customer

During the year ended March 31, 2020, Operating Revenue of approximately 57.53% (55.84%) derived from a single external customer in Domestic Segment

41. 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 March 31, 2020						
	Revenue as per Ind As 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic	Foreign	Total	Input Method	Output Method		
Railways	3,700.83	420.76	4,121.59	4,121.59	-	6.62	4,128.21
Highway	947.72	-	947.72	947.72	-	5.45	953.17
Electrical	17.69	7.37	25.06	25.06	-	-	25.06
Building	1.08	-	1.08	1.08	-	-	1.08
Others	75.49	-	75.49	75.49	-	19.44	94.93
Total	4,742.81	428.13	5,170.94	5,170.94	-	31.51	5,202.45

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

Out of the total revenue recognised under Ind AS 115 during the year, ₹ 5,170.94 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 March 31, 2019						
	Revenue as per Ind As 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways	3,169.68	568.74	3,738.42	3,567.70	26.82	2.59	3,741.01
Highway	554.52	-	554.52	518.32	-	0.10	554.62
Electrical	97.35	-	97.35	179.29	-	-	97.35
Building	5.26	-	5.26	5.26	-	-	5.26
Others	-	-	-	98.16	-	16.86	16.86
Total	3,826.81	568.74	4,395.55	4,368.73	26.82	19.55	4,415.10

Out of the total revenue recognised under Ind AS 115 during the year, ₹ 4,368.73 crore is recognised over a period of time and ₹ 26.82 crore recognised point in time.

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

C. Contract balances

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Trade Receivables (Note 12.2)	559.34	505.14
Contract Assets (Note 8.3 and 12.6)	695.03	580.94
Contract Liabilities (Note 20 and 22)	2,240.64	2,747.36

- (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 31 st March 2020	As at 31 st March 2019
Contract asset at the Beginning of the year	580.94	518.53
Contract asset at the end of the year	695.03	580.94
Net increase/decrease	114.09	62.41

For the year 2019-20 and 2018-19 - There has been a net increase of ₹ 114.09 crore and ₹ 62.41 crore as compared to last year is mainly due to recognition of Revenue based on input method whereas bills for work done are certified based on contract condition.

- (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)

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Particulars	As at 31 st March 2020	As at 31 st March 2019
Contract liabilities at the beginning of the year	2,747.36	3,174.17
Contract liabilities at the end of the year	2,240.64	2,747.36
Net increase/decrease	(506.72)	(426.81)

For the year 2019-20 and 2018-19 - There has been a net reduction of ₹ 506.72 crore and ₹ 426.81 crore as compared to last year are mainly due to adjustment of advance payment received from client against works executed during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amount included in contract liabilities at the beginning of the year	1,812.63	2,067.51
Performance obligation satisfied in previous years	-	-

E. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2020 is ₹ Nil (As at 31st March, 2019: ₹ Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is ₹ Nil (FY 2018-19: ₹ Nil)

F. Performance obligation

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Within one year	3,500.00	5,200.00
More than one year to 2 years	6,000.00	5,500.00
More than 2 years	21,213.00	19,463.52
Total	30,713.00	30,163.52

4.2. 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. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. 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)

Particulars	As at 31 st March, 2019
Opening Balance at April 1, 2019	-
Transition impact on account of adoption of Ind AS 116	0.21
Accreditation of interest	-
Payments	(0.04)
Balance at March 31, 2020	0.17
Current	0.03
Non-current	0.14

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

Particulars	For the year ended 31 st March 2020
Depreciation expense of right-of-use assets (Refer Note 29)	0.33
Interest expense on lease liabilities (Refer Note 28)	-
Expense relating to short-term leases (Refer Note 26 (iii))	6.80
	7.13

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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:

(₹ 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) Company as a Lessor

- The Company has given buildings under operating lease. Lease income (rental and service charges) aggregating ₹ 7.58 crore (₹ 8.20 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.
- The Company has given Machinery under operating lease. Lease income aggregating ₹ 16.66 crore (₹ 11.41 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 March 31, 2020
Within one year	0.41
After one year but not more than five years	2.29
More than five years	-
	2.70

Note :

A Letter of award has been issued to the selected concessionaire for retail mall at Sector-43, Noida. However, certain obligations on the part of the concessionaire including entering into Concession Agreement is yet to be completed. Therefore, it is not included in the future minimum rental receivable.

43. 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:

		(₹ in crore)			
	Name of the Company	Outstanding balance as at		Maximum amount outstanding during the year ended	
		31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
A	Loans and advances in the nature of loans:				
	To Subsidiary Companies				
	Ircon PB Tollway Limited	417.22	337.85	474.74	337.85
	Ircon ShivpuriGuna Tollway Limited	564.15	561.59	568.35	561.59
	Ircon Davanagere Haveri Highway Limited	269.22	130.00	269.22	130.00
	Ircon Vadodara Kim Expressway Limited	181.00	-	181.00	-
	To Joint Venture Companies				
	Chhattisgarh East-West Railway Limited	39.00	39.00	39.00	39.00
B	Investment by the loanee (as detailed above) in the shares of the Company and its subsidiaries	-	-	-	-

Foot Note:

- 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 31st March 2020

44. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

(₹ in crore)

S.No.	Particulars	As at 31 st March 2020	As at 31 st March 2019
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: Principal amount due to micro and small enterprises Interest due on above	4.28 -	17.04 -
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	-	-

45. Corporate Social Responsibility Expenses (CSR)

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

a) Amount required to be spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Gross amount required to be spent by the Company during the year	9.88	8.74

b) Amount spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2020			For the year ended 31 st March 2019		
	Paid in Cash	Yet to be Paid	Total	Paid in Cash	Yet to be Paid	Total
On Construction/acquisition of asset*	2.34	-	2.34	1.23	-	1.23
On purposes other than above	7.70	-	7.70	7.51	-	7.51
Total	10.04	-	10.04	8.74	-	8.74

*Assets purchased and handed over to respective organisation and are not being held by the Company.

c) Balance amount to be spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Gross amount required to be spent by the Company during the year (as per (a) above)	9.88	8.74
Amount spent by the Company during the year (as per (b) above)	10.04	8.74
Balance amount to be incurred by the company	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Contribution to Prime Minister CARES Fund for fighting against COVID-19	4.50	-
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	1.72	3.51
Promoting Education, including special education and employment enhancing vocation skills especially among children.	2.97	2.44
Ensuring environmental sustainability	0.33	2.39
Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	0.18	-
Sports	-	0.19
Others (including Other Admin Cost)	0.34	0.21
Total	10.04	8.74

46. Covid -19 Disclosure

The World Health Organisation (WHO) declared outbreak of novel Coronavirus (COVID -19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared nationwide lockdown on March 24, 2020 and ordered temporarily closure of non-essential businesses, imposed restrictions on the movement of goods and services, travel etc. As the nature of business performed by the Company, falls under the non-essential category, the Company temporarily suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. These nationwide lockdown restrictions had impacted the normal operations of the Company by way of interruption of project execution, supply chain disruption and unavailability of personnel during the lockdown period since 22nd March'2020. The Central and State Government have initiated the steps to lift the lockdown and the Company is adhering to the same as it has resumed its activities based on the resources available. The Company has been able to resume operations at various project sites from the beginning of May in a gradual manner. The Company has taken necessary precautions to ensure the health, safety and wellness of all employees and also put in place the SOPs and all the guidelines as per the Central and State Governments to prevent the spread of COVID-19. The Company expects construction to reach optimum levels once situation normalises post lifting of lockdown as migrant labourers resume work gradually. Meanwhile, the company is exploring increased use of technology to fasten the pace of construction going forward.

Financial performance

The Company believes that thus far, there is no significant impact of Covid19 pandemic on the financial performance of the Company in terms of revenue and profitability as the Company has recorded its budgeted revenue in the current year.

Liquidity

The Company has access to sufficient liquidity for its operation. The short-term investments of the Company are in such instruments which can be encashed on need basis. Further, the Company has strong order book of over INR 30,700 Crore which provides sufficient cashflow visibility.

The Company expects to recover the carrying amount of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, inventory, advances, trade receivables, deferred taxes, other financial and non-financial assets etc. in the ordinary course of business based on information available on current economic conditions.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

Steps taken for smooth functioning

During this lockdown period, the Company has taken various steps towards rethinking the new normal for the business post COVID-19 lockdown. The working at non-critical locations of the Company was streamlined with work from home norms and roster for the employees as per the guidelines issued by the government authorities. Further, the Company has put in place stringent monitoring processes for COVID-19 ensuring the following:

- » Thermal Screening of all employees and visitors
- » Sanitizing the premises and vehicles on regular basis
- » Maintenance of social distancing at all work places
- » Enforcing wearing of masks and regular cleaning of hands
- » Regular health updates of all the employees and their families
- » Conducting awareness programs regularly for all its employees

Estimation of the future impact of CoVID-19

With the commencement of works at project, the Company is constantly reviewing its operation and is making every possible effort to make up for the lost time due to the pandemic. Though the management expects to have reduction in Revenue and Profitability in the FY 2020-21, the impact of the lockdown disruption will have to be assessed from time to time and communicated as we progress during the current financial year. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities. It is therefore premature to forecast the future impact with credibility at this stage.

The actual impact of the 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.

47. Other disclosures

- a) The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, rate of income tax has been changed from 34.944% to 25.168%. The re-measurement of accumulated deferred tax asset as per new tax rate has resulted one time additional charge of ₹40.46 crores

Upto AY 2019-20 Company was making provision for income Tax without considering deduction under section 80-IA. For the period commencing from AY 2000-01 to 2019-20, deduction u/s 80-IA was allowed to company by CIT (A) for eight different years (AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17) and for AY 2000-01, 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 it was allowed by ITAT. Out of these years company is still carrying provision for deduction u/s 80-IA for the AY 2007-08, 2012-13 and 2013-14 having conservative approach, considering appeals filed by department against company for these years. However, AY 2014-15 onwards, after allowance of deduction u/s 80-IA by CIT (A) company writes back provision made against deduction u/s 80-IA.

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 which are pending for disposal before ITAT.

- 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 ₹ 2,190.76 crore (₹ 2,034.49 crore) is under litigation, for which provision of ₹ 5.58 crore (₹ 23.43 crore) has been made which has been reimbursed by the client. The Company has also made counter claims on the contractors of ₹ 1,128.25 crore (₹ 1,475.16 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2020

- 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) 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 K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Consolidated Financial Statements 2019-20

FORM AOC -1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2020

(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 Devanagare Haveri Highway Limited (IDHHL)	Ircon Infrastructure & Services Limited (IISL)	Ircon Vadodara Kim Expressway Limited (IVKEL)
1	Reporting period for the Subsidiary	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020
2	Reporting Currency and Exchange Rate	INR	INR	INR	INR	INR
3	Share Capital(Including share application money pending allotment)	150.00	165.00	164.05	65.00	10.00
4	Other equity/Reserves & surplus (as applicable)	(62.19)	-15.37	3.54	88.89	126.06
5	Liabilities	568.25	444.54	333.71	169.63	453.54
6	Total Equity and Liability	656.06	594.17	501.30	323.52	589.60
7	Total Assets	656.06	594.17	501.30	323.52	589.60
8	Investments	-	-	-	-	-
9	Turnover	94.88	70.74	392.85	135.51	619.60
10	Profit before taxation	(30.73)	(17.17)	0.77	14.86	0.31
11	Provision for taxation	0.10	0.01	-	3.35	0.07
12	Profit after taxation	(30.83)	(17.18)	0.77	11.51	0.24
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%

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Part A "Subsidiaries"

(₹ in crore)

Sr. No.	Name of Joint Ventures	Bastar Railways Private Limited	Chattisgarh East Railway Limited	Chattisgarh East West Railway Limited	Ircon-Soma Tollway Private Limited	Jharkhand Central Rail Limited	Mahanadi Coal Rail Limited	Indian Railway Stations Development Corporation Ltd
1	Latest audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
2	Shares of Joint Venture held by the company on the year end	26.00%	26.00%	26.00%	50%	26.00%	26%	50%
	Number of shares held	763,37,300	1225,75,700	1311,70,000	638,70,000	130,00,000	13,000	399,99,700
	Amount of Investment in Joint Venture (Note 2 Below)	7633,73,000	12257,57,000	13117,00,000	6387,00,000	6300,00,000	1,30,000	3999,97,000
	Total No of Shares	2936,05,000	4730,00,000	5040,55,000	1277,40,000	550,98,630	50,000	799,99,400
	Extent of Holding %	26.00%	25.91%	26.02%	50%	23.59%	26.00%	50.00%
3	Description of how there is significant influence Refer Note 1 (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)	294.06	539.27	503.36	153.03	56.94	-0.81	159.22
6	Profit/ (loss) for the year (₹ in Crore)	1.18	(22.48)	(0.11)	66.60	1.33	(0.83)	4.77
	(i) Considered in consolidation (₹ in Crore)	0.31	(5.83)	(0.03)	33.30	0.31	(0.01)	2.38
	(ii) Not considered in consolidation (₹ in Crore)	0.87	(16.66)	(0.08)	33.30	1.02	-0.82	2.38

Notes

- Significant influence is demonstrated by holding 20% or more of the voting power of the investee.
- Amount of Investment in Joint Venture (Amount in ₹)
Deemed Equity-JCRL 5000,00,000
Application Money pending Allotment 5000,00,000

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

INDEPENDENT AUDITORS' 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 March 31, 2020, 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 2 (two) foreign branches situated at South Africa, and Malaysia for the year ended 31st March, 2020. However, we have not visited any foreign branch and the relevant information for the audit purpose were 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 March 31, 2020, 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 invite attention to Note No. 46 of the Consolidated Financial Statements which describes the impact of Covid-19, a global pandemic, on the operations and financial matters of the company.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the matter
<p>a) Lease Recognition in terms of Ind AS 116 "Leases"</p> <p>The Group has adopted Ind AS 116 "Leases" in the current year replaces Ind AS 17 "Leases". The application and transition to this accounting standard is complex and is an area of focus in our audit since the group has a major amount of lease agreement with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116). • Assessed the Group's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. • Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities. • Upon transition as at 1 April 2019: <ul style="list-style-type: none"> ➤ Evaluated the method of transition and related adjustments.

Key Audit Matter	How our audit addressed the matter
<p>payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>For details refer Note 43 to the Consolidated Ind AS Financial Statements.</p>	<ul style="list-style-type: none"> ➤ Tested completeness of the lease data by reconciling the group's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> ➤ assessed the key terms and conditions of each lease with the underlying lease contracts; and ➤ evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. • Assessed and tested the accounting policy, presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.
<p>b) System Environment and internal Controls</p> <p>The holding Company is having SAP system in place but for the foreign projects they are using the Tally system for preparing the financial statement of the foreign projects.</p> <p>FI-CO module is working since 2012-13 with its limited functionalities with no integration support from any other system like payroll, inventory etc. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the holding company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p> <p>Further, the subsidiary companies are also using the Tally system for preparation of the financial statements.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • 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. • Testing the design of the key IT controls relating to financial reporting systems of the holding company. • We also tested the holding company's controls around system interfaces, and the transfer of data from one system to another. • We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.

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 the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 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 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

- The opinion expressed in the present report is based on the information, facts and inputs made available to us through electronic means by the group. We wish to highlight that due to the COVID 19 induced restrictions on physical movement and strict timelines, the audit teams could not visit the project offices of the group for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing.
- We did not audit the financial statements / financial information of 8 (Eight) branches of Holding Company included in the consolidated Ind AS financial statement of the group whose financial statements/ financial information reflect Total Assets of ₹ 6386.80 Crores (Previous Year ₹ 6410.91 Crores) as at 31st March 2020, Total Revenues of ₹ 5211.55 Crores (Previous Year ₹ 4226.56 Crores) and Total PBT of ₹ 374.29 Crores (Previous Year ₹ 336.64 Crores) for the year ended on that date, as considered in the consolidated 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 ₹ 0.18 Crores (Previous Year ₹ 3.13 Crores) profit (net), the company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants.
- We did not audit the financial statements/financial information of five subsidiaries whose financial statements/ financial information reflect Total Assets of ₹ 2,664.66 Crores (Previous Year ₹ 2,019.80 Crores) as at 31st March 2020, Total Revenues of ₹ 97.96 Crores (Previous Year ₹ 310.07 Crores) and net increase/ (decrease) in cash flows amounting to ₹ 107.19 Crores (Previous Year ₹ 11.51 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 ₹ 30.44 Crores (Previous Year ₹ 21.54 Crores) profit (net) using equity method for the year ended 31st March, 2020 as considered in the consolidated financial statements in respect of seven jointly controlled entities whose financial

statements/ financial information have not been audited by us.

These financial statements/ financial information have been audited by other auditors whose financial statements/ 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 subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 branch auditors have been sent to us/other auditors, as applicable, 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 A**.
- 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, 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, 2020 on the consolidated financial

position of the Group, and its jointly controlled entities. Refer Note No. 39 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.19.2 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 and its subsidiary companies, jointly controlled entities incorporated in India.
2. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that:

Sl.No.	Directions	Auditor's Replies
(i)	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 has SAP/Tally system to process all the accounting transactions. For details refer Key Audit Matter on "System environment and internal controls" and our opinion on Internal Financial Control as per Annexure A of Independent Audit Report.
(ii)	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.	No, Group is having no case of 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 except Ircon PB Tollways Ltd.(IPBTL) has applied to lender its holding company Ircon International Ltd. for restructuring of the loan and also for waiver of the interest amount of Rs. 18,91,58,653/- for the period 01.10.2019 to 31.03.2020.
(iii)	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and as per our examination of records, no funds have been received/receivable for any specific schemes from central/ state agencies during the financial year 2019-20 except Ircon PB Tollways Ltd (IPBTL) has recorded Viability Gap Funding (VGF) in form of equity support for the project as receivable from National Highway Authority of India (NHAI). IPBTL has partly received VGF from NHAI and same has been accounted / utilized as per the terms and conditions of the agreement.

For K. G. Somani & Co.
Chartered Accountants
Firm Registration No: 06591N

Sd/-
(Bhuvnesh Maheshwari)
Partner

Membership No.: 088155
UDIN:20088155AAAFC4827

"Annexure A" 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, 2020 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 five subsidiary companies and ten jointly controlled entities, 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 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, 2020, 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 31.03.2020 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. Salary is processed from SQL server rather than SAP. Some of the subsidiary company and jointly controlled entities and foreign projects 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 is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/non-moving/ broken assets and material/stores needs to be strengthened.
- (c) System of reconciliation of GST ITC in form GSTR 2A with books of account needs to be strengthened in some of the projects. So as to ensure that all amount paid by the company to their respective suppliers/service providers is being duly deposited in Govt. account by them.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report 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 five audited subsidiary companies and ten jointly controlled entities, is based on the corresponding reports of the other auditors (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, 2020 and these areas do not affect our opinion on the Consolidated Ind AS financial statements of the Company.

For K. G. Somani & Co.
Chartered Accountants
Firm Registration No: 06591N

Sd/-
(Bhuvnesh Maheshwari)
Partner
Membership No.: 088155
UDIN:20088155AAAAFC4827

Place: New Delhi
Date: 10th July 2020

CONSOLIDATED BALANCE SHEET

As at 31st March 2020

Particulars	Note No.	(₹ in crore)	
		As at 31 st March 2020	As at 31 st March 2019
I. ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	275.83	133.95
(b) Capital Work-in-Progress	4	2.97	50.30
(c) Investment Property	5	489.02	477.61
(d) Intangible Assets	6	1,211.63	1,278.62
(e) Intangible Assets under Development	6	26.73	4.89
(f) Right-of-use Assets	7	5.17	-
(g) Investments accounted for using the equity method	8.1	512.06	417.43
(h) Financial Assets	8		
(i) Investments	8.1	291.45	291.40
(ii) Loans	8.2	39.33	39.51
(iii) Others	8.3	2,320.27	2,845.44
(i) Deferred Tax Assets (Net)	9	90.14	128.42
(j) Other Non-Current Assets	10	129.61	155.91
Total Non-Current Assets		5,394.21	5,823.48
2 Current Assets			
(a) Inventories	11	320.67	331.94
(b) Financial Assets	12		
(i) Investments	12.1	-	99.72
(ii) Trade Receivables	12.2	551.19	666.04
(iii) Cash and Cash Equivalents	12.3	893.11	892.12
(iv) Other Bank Balances	12.4	1,779.52	2,173.27
(v) Loans	12.5	1.62	1.89
(vi) Others	12.6	2,194.71	1,759.89
(c) Current Tax Assets (Net)	13	30.16	48.33
(d) Other Current Assets	14	1,712.24	1,519.71
		7,483.22	7,492.91
Assets held for sale	15	0.93	2.07
Total Current Assets		7,484.15	7,494.98
Total Assets		12,878.36	13,318.46
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	16	94.05	94.05
(b) Other Equity	17	4,077.27	3,870.17
Equity attributable to Owners of the parent		4,171.32	3,964.22
Non Controlling Interest		-	-
Total Equity		4,171.32	3,964.22

(₹ in crore)

Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities	18		
(i) Borrowings	18.1	1,845.92	2,560.00
(ii) Trade Payables	18.2		
- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		-	-
(iii) Other Financial Liabilities	18.3	407.84	345.14
(b) Provisions	19	78.90	79.93
(c) Other Non-Current Liabilities	20	298.16	710.34
Total Non-Current Liabilities		2,630.82	3,695.41
(ii) Current Liabilities			
(a) Financial Liabilities	21		
(i) Trade Payables	21.1		
- Total outstanding dues of Micro Enterprises and Small Enterprises		8.08	18.95
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		581.11	546.54
(ii) Other Financial Liabilities	21.2	2,958.87	2,302.31
(b) Other current liabilities	22	2,256.30	2,389.56
(c) Provisions	19	239.83	392.83
(d) Current Tax liability (Net)	23	32.03	8.64
Total Current Liabilities		6,076.22	5,658.83
Total Equity and Liabilities		12,878.36	13,318.46
III. Summary of Significant Accounting Policies	2		
IV. Notes Forming Part of Financial Statements	1 - 48		

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March 2020

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March 2020	For the year ended 31 st March 2019
I. Revenue :			
Revenue from operations	24	5,391.51	4,798.43
II. Other income	25	148.17	191.18
III. Total Income (I + II)		5,539.68	4,989.61
IV. Expenses:			
Materials and Stores Consumed	26 (i)	349.71	390.69
(Increase) / Decrease in WIP	26 (ii)	15.89	(169.37)
Project Expenses	26 (iii)	4,097.48	3,783.09
Employee Benefits Expenses	27	279.34	263.57
Finance Costs	28	27.87	14.53
Depreciation, Amortisation and Impairment	29	82.94	51.61
Other Expenses	26 (iii)	44.90	52.77
Total Expenses (IV)		4,898.13	4,386.89
V. Profit before exceptional items and tax (III - IV)		641.55	602.72
VI. Exceptional items		-	-
VII. Share in Profit/(Loss) of Joint Ventures		30.44	21.54
VIII. Profit before tax (V + VI + VII)		671.99	624.26
IX. Tax expenses:			
(1) Current tax	9		
- For the Period		163.16	219.63
- For earlier years (net)		(14.76)	(50.89)
(2) Deferred tax (net)		38.28	5.45
Total Tax Expense		186.68	174.19
X. Profit for the year (VIII - IX)		485.31	450.07
XI. Other Comprehensive Income	30		
A. (i) Items that will not be reclassified to profit or loss		1.19	1.97
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		(0.30)	(0.69)
B. (i) Items that will be reclassified to profit or loss		(5.15)	(13.94)
(ii) Income Tax relating to Items that will be reclassified to profit or loss		1.30	4.87
Other Comprehensive Income/(Expense) for the year, net of income tax		(2.96)	(7.79)
XII. Total Comprehensive Income for the year (X + XI)		482.35	442.28
(Comprising Profit and Other Comprehensive Income for the year)			
XIII. Total Comprehensive Income attributable to Owners of the parent		482.35	442.28
Non Controlling Interest		-	-
XIV. Earnings Per Equity Share:			
(1) Basic (in ₹)	37	51.60	47.85
(2) Diluted (in ₹)		51.60	47.85
XV. Summary of Significant Accounting policies	2		
XVI. Notes Forming Part of Financial Statements	1 - 48		

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 31st March 2020

(₹ in crore)

Particulars		For the year ended 31 st March 2020	For the year ended 31 st March 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		671.99	624.26
Adjustment for :			
Interest on unwinding of financial instruments (Net)		(0.14)	(0.38)
Amortisation of financial instruments (Net)		0.14	0.39
Depreciation, amortization and impairment		82.94	51.61
Profit on sale of assets (net)		(28.53)	(14.40)
Profit on Sale of Mutual Funds		(0.96)	-
Share in Profit/(Loss) of Joint Ventures		(30.44)	(21.54)
Interest Income		(83.19)	(93.68)
Dividend Income		(4.00)	(9.64)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(0.12)	2.33
Operating Profit before working capital changes	(1)	607.69	538.95
Adjustment for :			
Decrease / (Increase) in Trade Receivables		114.85	9.18
Decrease / (Increase) in Inventories		11.28	(191.21)
Decrease / (Increase) in Loans, Other Financial Assets & Other Assets		(93.31)	(1,563.68)
(Decrease) / Increase in Trade Payables		23.70	55.16
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		(50.01)	64.36
	(2)	6.51	(1,626.19)
Cash generated from operation	(1+2)	614.20	(1,087.24)
Income Tax Paid		(71.05)	(98.14)
NET CASH FROM OPERATING ACTIVITIES	(A)	543.15	(1,185.38)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(58.55)	(56.51)
Acquisition of Intangible Assets and Intangible Assets under Development		(35.02)	(1,110.12)
Purchase / Proceeds of Investment Property		(68.92)	(118.98)
Sale of Property, Plant and Equipments & Intangible Assets		43.85	835.52
Sale / (Investments) in Mutual Funds		100.68	116.44
Interest Received		95.49	117.34
Dividend Received		4.00	9.65
Investment in Joint Venture Companies		(64.20)	(119.95)
Bank Balance Other than Cash and Cash Equivalents		393.75	944.89
NET CASH FROM INVESTING ACTIVITIES	(B)	411.08	618.28

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March 2020	For the year ended 31 st March 2019
CASH FLOW FROM FINANCING ACTIVITIES			
Loan From Indian Railway Finance Corporation		(678.08)	146.23
Payment of Lease Liabilities		(0.04)	-
Final Dividend (including Dividend Distribution Tax) paid		(122.74)	(117.24)
Interim Dividend (including Dividend Distribution Tax) paid		(152.50)	(121.55)
NET CASH FROM FINANCING ACTIVITIES	(C)	(953.36)	(92.56)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	0.12	(2.33)
NET DECREASE IN CASH & CASH EQUIVALENT	(A+B+C+D)	0.99	(661.99)
CASH AND CASH EQUIVALENT (OPENING)	(E)	892.12	1,554.11
CASH AND CASH EQUIVALENT (CLOSING) *	(F)	893.11	892.12
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(F - E)	0.99	(661.99)

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.
- Figures in brackets represent outflow of cash.
- Figures of the previous year have been regrouped /restated wherever necessary.
*earmarked and restricted balances are mentioned in Note 12.3.

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st March 2020

A. Equity Share Capital

Particulars	Amount
Balance as at 01 April, 2018	94.05
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	94.05
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	94.05

B. Other Equity

For the year ended 31st March, 2019

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange difference on translating the financial statement of a foreign operation	
Balance as at 1 April, 2018	3,284.64	369.40	4.93	8.74	3,667.71
Changes in accounting policy or prior period errors	-	(0.53)	-	-	(0.53)
Balance as at 1 April, 2018 (Restated)	3,284.64	368.87	4.93	8.74	3,667.18
Profit for the year	-	450.07	-	-	450.07
Other Comprehensive Income					-
Remeasurement of Defined Benefit Plans	-	1.28	-	-	1.28
Foreign Exchange translation difference	-	-	-	(9.07)	(9.07)
Total Comprehensive Income for the period	-	451.35	-	(9.07)	442.28
Dividends Paid	-	(198.08)	-	-	(198.08)
Dividend Distribution Tax	-	(40.71)	-	-	(40.71)
Changes in carrying value of Investments in Joint Ventures Other than share in Profit/(Loss)	-	(0.50)	-	-	(0.50)
Balance as at March 31, 2019	3,284.64	580.93	4.93	(0.33)	3,870.17

For the year ended 31st March, 2020

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange difference on translating the financial statement of a foreign operation	
Balance as at 1 April, 2019	3,284.64	580.93	4.93	(0.33)	3,870.17
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as at 1 April, 2019 (Restated)	3,284.64	580.93	4.93	(0.33)	3,870.17
Profit for the year (Restated)	-	485.31	-	-	485.31
Other Comprehensive Income					-

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange difference on translating the financial statement of a foreign operation	
Remeasurment of Defined Benefit Plans	-	0.89	-	-	0.89
Foreign Exchange translation difference	-		-	(3.86)	(3.86)
Total Comprehensive Income for the period	-	486.20	-	(3.86)	482.34
Dividends Paid	-	(228.31)	-	-	(228.31)
Dividend Distribution Tax	-	(46.93)	-	-	(46.93)
Balance as at March 31, 2020	3,284.64	791.89	4.93	(4.19)	4,077.27

As per our Report of even date attached

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
B. Maheshwari
Partner
M. No. 088155

Place : New Delhi
Date : 10th July 2020

For and on behalf of Board of Directors

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 2020. 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 upto 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 10th July 2020.

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 2020. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

date the Group ceases to control the subsidiary.

c) Consolidated financial statements are prepared using uniform accounting policies for like transactions and 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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.

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 leasehold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

assets as specified in schedule II of the Companies act, 2013.

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

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

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 ₹ 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 Rs. 1 Lakhs in each case is fully amortized in the period of purchase, by keeping Rs. 1 as token value for identification.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 they 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-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 construction and project management consultancy

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

d) 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.

e) 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.

f) 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 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 (Ircon Defined Contribution Superannuation Pension Scheme 2009, Trust). The

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Contributions towards the trust are recognized in the statement of profit and loss of the period when the contributions 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 (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 Group 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 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 also funded by the Group 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 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 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 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

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payable and corresponding tax on dividend distribution 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, taking into account 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) 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 recognises 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

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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.

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

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

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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 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:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- **Debt instruments at FVTOCI**

A 'debt instrument' is classified as at the

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FVTOCI if both of the following criteria are met:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the 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.

- **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:

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

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

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 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 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

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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 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 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 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

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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 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 receivables 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 increase, 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

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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 judgement 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 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.

i. 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).

j. 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,

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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 Group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

3. Property, Plant and Equipment

Foot Notes	(i)	(ii)	Residential	Freehold Buildings/ Flats- Non-Res.	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Gross Carrying Amount (At Cost)	(i)	(ii)	Residential	Freehold Buildings/ Flats- Non-Res.	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
At 01 April 2018	42.75	5.20	6.36	40.63	85.69	1.40	5.40	3.50	2.64	7.88	3.91	206.45
Additions	-	-	-	-	5.28	0.46	1.07	0.68	0.86	1.00	0.02	9.37
Disposals/ Adjustments	(0.06)	-	-	-	(3.42)	-	(0.17)	(0.05)	(0.03)	(0.58)	(0.37)	(4.68)
Exchange (Gain)/ Loss	-	-	-	0.03	1.04	0.01	0.05	0.02	0.03	0.02	0.03	1.23
At 31 March 2019	42.69	5.20	6.36	40.66	88.59	1.87	6.35	4.15	3.50	8.32	3.59	212.37
Transfer to Right-of-use Assets	-	(5.20)	-	-	-	-	-	-	-	-	-	(6.29)
At 1 April 2019	42.69	-	6.36	40.66	88.59	1.87	6.35	4.15	3.50	8.32	3.59	206.08
Additions	-	-	-	20.73	102.68	0.09	0.64	0.64	0.54	0.08	-	162.29
Disposals/ Adjustments	-	-	-	-	(6.64)	(0.05)	(0.28)	(0.05)	(0.09)	(5.56)	(0.84)	(13.51)
Transfer to Assets held for sale	-	-	-	-	(0.22)	-	-	(0.03)	(0.01)	-	-	(0.26)
Exchange (Gain)/ Loss	-	-	-	0.28	2.87	0.04	0.05	0.05	0.04	0.03	0.21	3.57
At 31 March 2020	42.69	-	6.36	61.67	187.28	1.95	6.76	4.76	3.98	2.87	2.96	358.17
Depreciation and Impairment												
At 01 April 2018	-	0.67	3.05	10.94	41.10	0.23	1.83	1.32	0.81	5.19	0.70	65.87
Depreciation charge for the year	-	0.28	0.30	2.12	5.22	0.15	1.16	0.61	0.35	2.06	0.43	12.69
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	(0.32)	-	(0.09)	(0.06)	(0.02)	(0.31)	(0.17)	(0.97)
Exchange (Gain)/ Loss	-	-	-	0.01	0.76	-	0.03	0.06	0.02	0.02	(0.07)	0.83
At 31 March 2019	-	0.95	3.35	13.07	46.76	0.38	2.93	1.93	1.16	6.96	0.89	78.42
Transfer to Right-of-use Assets	-	(0.95)	-	-	-	-	-	-	-	-	-	(0.99)
At 1 April 2019	-	-	3.35	13.07	46.76	0.38	2.93	1.93	1.16	6.96	0.89	77.43
Depreciation charge for the year	-	-	0.19	2.29	8.97	0.19	1.19	0.67	0.33	0.50	0.41	14.74
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	(6.07)	(0.02)	(0.17)	(0.05)	(0.03)	(5.28)	(0.20)	(11.82)
Transfer to Assets held for sale	-	-	-	-	-	-	-	(0.02)	-	-	-	(0.02)
Exchange (Gain)/ Loss	-	-	-	0.11	1.76	0.01	0.01	0.02	0.02	0.01	0.07	2.01
At 31 March 2020	-	-	3.54	15.47	51.42	0.56	3.96	2.55	1.48	2.19	1.17	82.34
Net Book Value [Refer foot no. (iv)]												
At 31 March 2020	42.69	-	2.82	46.20	135.86	1.39	2.80	2.21	2.50	0.68	1.79	275.83
At 31 March 2019	42.69	4.25	3.01	27.59	41.83	1.49	3.42	2.22	2.34	1.36	2.70	133.95

Foot Notes:-

- i) 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 Rs.0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- ii) Includes lease hold building on Railways land for 30 years lease at San Martin Marg, New Delhi & Pall Hill, Mumbai & Metro Railway Service Building, Kolkata for which agreement is yet to be finalised.
- iii) Furniture & Fixtures includes Furnishings also.
- iv) Carrying amount include Foreign Exchange Loss/Gain on account of PPE translation from functional currency to presentation currency.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

4. Capital Work in Progress

(₹ in crore)

Particulars	Amount
Opening balance at 1 April 2018	3.15
Additions (subsequent expenditure)	47.15
Less : Capitalised during the year	-
Closing balance at 31 March 2019	50.30
Additions (subsequent expenditure)	2.11
Less : Capitalised during the year	(49.44)
Closing balance at 31 March 2020	2.97
Net Book Value	
at 31 March 2020	2.97
at 31 March 2019	50.30

5. Investment Property

(₹ in crore)

Particulars	Noida			Gurugram		Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	
Opening balance at 1 April 2018	260.35	63.23	-	2.23	30.01	3.04	358.86
Additions (subsequent expenditure)*	66.85	35.96	-	-	16.17	-	118.98
Closing balance at 31 March 2019	327.20	99.19	-	2.23	46.18	3.04	477.84
Additions (subsequent expenditure)*	-	49.28	-	-	19.64	-	68.92
Capitalised during the year	-	(128.38)	128.38	-	-	-	-
Transferred to Property, Plant and Equipment	(36.89)	(19.52)	-	-	-	-	(56.41)
Closing balance at 31 March 2020	290.31	0.57	128.38	2.23	65.82	3.04	490.35
Depreciation and Impairment							
Opening balance at 1 April 2018	-	-	-	-	-	0.19	0.19
Depreciation during the year	-	-	-	-	-	0.04	0.04
Closing balance 31 March 2019	-	-	-	-	-	0.23	0.23
Depreciation during the year	-	-	1.06	-	-	0.04	1.10
Closing balance at 31 March 2020	-	-	1.06	-	-	0.27	1.33
Net Block							
at 31 March 2020	290.31	0.57	127.32	2.23	65.82	2.77	489.02
at 31 March 2019	327.20	99.19	-	2.23	46.18	2.81	477.61

Information regarding income and expenditure of Investment property

(₹ in crore)

Particulars	31 March 2020	31 March 2019
Rental income derived from investment properties	0.39	0.38
Profit arising from investment properties before depreciation and indirect expenses	0.39	0.38
Less: Depreciation during the year	(0.04)	(0.04)
Profit arising from investment properties before indirect expenses	0.35	0.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Reconciliation of fair value

(₹ in crore)

Particulars	Noida			Gurugram		Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	
Opening balance at 1 April 2018	239.03	55.13	-	133.20	27.91	5.31	460.58
Fair value difference	(0.99)	64.49	-	3.64	30.49	1.83	99.46
Closing balance at 31 March 2019	238.04	119.62	-	136.84	58.40	7.14	560.04
Land & Building transfer to Property, Plant and Equipment (Refer Note-3)	(25.92)	(17.57)	-	-	-	-	(43.49)
Opening balance at 1 April 2019	212.12	102.05	-	136.84	58.40	7.14	516.55
Capitalised during the year	-	(102.05)	102.05	-	-	-	-
Fair value difference	16.35	0.57	25.97	(11.68)	7.79	(0.05)	38.95
Closing balance at 31 March 2020	228.47	0.57	128.02	125.16	66.19	7.09	555.50
Fair value difference for the year	16.35	0.57	25.97	(11.68)	7.79	(0.05)	38.95
Note:-							
Investment Property self constructed	228.47	0.57	128.02	125.16	66.19	7.09	555.50
	228.47	0.57	128.02	125.16	66.19	7.09	555.50

- (i) These valuations are based on valuations performed by accredited independent valuer. Fair Values are based on cost & income/cost/market value approach.
- (ii) The fair value measurement is categorised in Level 3 of fair value hierarchy.
- (iii) 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.

(₹ in crore)

* Detail of Additions (subsequent expenditure)	As at 31 st March 2020		As at 31 st March 2019	
	Land	Capital work in progress	Land	Capital work in progress
- Lease Rent Paid	-	-	66.85	-
- Work Expenses	-	47.09	-	41.57
- Consultancy Charges	-	0.67	-	0.22
- Salary & Wages	-	1.56	-	1.44
- Rates & Taxes	-	2.14	-	6.24
- Vehicle Operation and Maintenance	-	0.08	-	0.10
- Power, Electricity and Water charges	-	1.41	-	2.19
- Advertisement & Publicity	-	0.09	-	0.10
- Staff Welfare	-	-	-	0.01
- Bank Charges	-	0.02	-	0.01
- Repairs and Maintenance - Office & Other	-	-	-	0.01
- Tour & Travelling	-	0.02	-	0.08
- Misc. Operating Exp.	-	15.84	-	0.16
Total	-	68.92	66.85	52.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

6. Intangible Assets

(₹ in crore)

Particulars	Intangibles (Software/ Lease Rights/Toll Road)			
	Software	Lease Rights	Toll Road	Total
Gross Block				
Opening balance at 1 April 2018	1.62	72.76	-	74.37
Addition during the year	0.51	-	1,247.94	1,248.46
Sales / adjustment during the year	(0.03)	(0.14)	-	(0.17)
Closing balance at 31 March 2019	2.10	72.62	1,247.94	1,322.66
Addition during the year	0.02	-	-	0.02
Sales / adjustment during the year	(0.01)	(0.28)	-	(0.29)
Closing balance at 31 March 2020	2.11	72.34	1,247.94	1,322.39
Amortisation and Impairment				
Opening balance at 1 April 2018	0.79	4.41	-	5.20
Amortisation during the year	0.44	1.28	37.16	38.88
Sales / adjustment during the year	(0.04)	-	-	(0.04)
Closing balance at 31 March 2019	1.19	5.69	37.16	44.04
Amortisation during the year	0.54	1.64	64.58	66.76
Sales / adjustment during the year	(0.01)	(0.03)	0.01	(0.04)
Closing balance at 31 March 2020	1.72	7.30	101.75	110.76
Net book value				
At 31 March 2020	0.39	65.04	1,146.19	1,211.63
At 31 March 2019	0.91	66.93	1,210.78	1,278.62

Foot Note:

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.

Toll Road :- Toll Road also includes value of IT Infrastructure Software essential for the toll road and bundled with the EPC works of the Toll Road. The same is not separately quantifiable and is an integral part of the Asset.

Intangible Assets under development

(₹ in crore)

Particulars	Intangibles assets under development		
	Software	Toll Road	Total
Gross Block			
Opening balance at 1 April 2018	-	960.52	960.52
Addition during the year	-	382.42	382.42
Capitalisation during the year	-	(520.76)	(520.76)
Sales / adjustment during the year	-	(817.30)	(817.30)
Closing balance at 31 March 2019	-	4.89	4.89
Addition during the year	9.79	25.20	34.99
Capitalisation during the year	-	-	-
Sales / adjustment during the year	-	(13.15)	(13.15)
Closing balance at 31 March 2020	9.79	16.94	26.73
Amortisation and Impairment			
Opening balance at 1 April 2018	-	-	-
Amortisation during the year	-	-	-
Impairment	-	-	-
Sales / adjustment during the year	-	-	-
Closing balance at 31 March 2019	-	-	-
Amortisation during the year	-	-	-
Impairment	-	-	-
Sales / adjustment during the year	-	-	-
Closing balance at 31 March 2020	-	-	-
Net book value			
At 31 March 2020	9.79	16.94	26.73
At 31 March 2019	-	4.89	4.89

Foot Note: Intangible assets under development (Software) represents capital expenditure of ₹ 9.79 crore made for acquiring the SAP S4/HANA ERP software.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

7. Right-of-use Assets

(₹ in crore)

Particulars	Land (ii)	Building (i)	Vehicles	Total
Gross Block				
Opening Balance at 1 April 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116 {Refer note no. 3}	1.09	5.20	-	6.29
Transition impact on account of adoption of Ind AS 116	0.16	0.01	0.04	0.21
Balance at 1 April 2019	1.25	5.21	0.04	6.50
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
Closing Balance at 31 March 2020	1.25	5.21	0.04	6.50
Depreciation and Impairment				
Opening Balance at 1 April 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116 {Refer note no. 3}	0.05	0.95	-	1.00
Transition impact on account of adoption of Ind AS 116	-	-	-	-
Balance at 1 April 2019	0.05	0.95	-	1.00
Depreciation during the year	0.02	0.29	0.02	0.33
Impairment	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
Closing Balance at 31 March 2020	0.07	1.24	0.02	1.33
Net Book Value				
At 31 March 2020	1.18	3.97	0.02	5.17
At 1 April 2019	1.20	4.26	0.04	5.50

- 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 ₹ 0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

8. Non-Current Assets - Financial Assets

8.1 Non-Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 March 2020	As at 31 March 2019
1. Investments in Equity Instruments (fully paid-up, unquoted, using Equity Method)		
<i>Incorporated Joint Venture</i>		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of ₹ 10 each (31 March 2019 : 6,38,70,000) (Refer note (i))	76.52	43.22
Indian Railway Stations Development Corporation Limited 3,99,99,699 equity shares of ₹ 10 each (31 March 2019 : 2,58,00,000) (Refer note (iii))	48.13	31.55
Bastar Railway Pvt. Limited 7,63,37,300 equity shares of ₹ 10 each (31 March 2019 : 7,63,37,300)	76.45	76.15
Jharkhand Central Railway Limited 1,30,00,000 equity shares of ₹ 10 each (31 March 2019 : 1,30,00,000) (Refer note (ii))	63.45	13.13
Mahanadi Coal Railway Limited 13,000 equity shares of ₹ 10 each (31 March 2019 : 13,000)	-	0.01
Chhattisgarh East Railway Limited 12,25,75,700 equity shares of ₹ 10 each (31 March 2019 : 12,25,75,700)	116.53	122.36
Chhattisgarh East-West Railway Limited 13,11,70,000 equity shares of ₹ 10 each (31 March 2019 : 13,11,70,000)	130.98	131.01
Total (1) - Investment in Joint Ventures	512.06	417.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	As at 31 March 2020	As at 31 March 2019
2. Investment in Bonds (Quoted, at Amortised cost)		
8.00% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 163,131 units of ₹ 1,000 each (31 March 2019 : 163,131)	16.31	16.31
7.21% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of ₹ 10,00,000 each (31 March 2019 : 500)	50.01	49.98
8.23% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 5,00,000 units of ₹ 1,000 each (31 March 2019 : 5,00,000)	50.00	50.00
8.35% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 500 units of ₹ 10,00,000 each (31 March 2019 : 500)	49.96	49.94
7.15% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 250 units of ₹ 10,00,000 each (31 March 2019 : 250)	24.99	24.99
7.07% Tax Free Indian Railway Finance Company Limited (IRFC) Bonds, 3,02,000 units of ₹ 1,000 each (31 March 2019 : 3,02,000)	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of ₹ 1,000 each (31 March 2019 : 1,99,989)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of ₹ 10,00,000 each (31 March 2019 : 500)	49.98	49.98
Total (2) - Investment in Bonds (Quoted)	291.45	291.40
Total Non - Current Investments (1+2)	803.51	708.83
Aggregate Book Value of Quoted Investments	291.45	291.40
Aggregate Market Value of Quoted Investments	322.13	314.23
Aggregate Book Value of Unquoted Investments	512.06	417.43
Aggregate amount of Impairment in Value of Investments	-	-

Foot Notes:-

- As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction period and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.
- Board of Directors of the Holding Company have approved Convertible Securities (Interest Free Advance), of ₹ 50 crores in favour of Jharkhand Central Railway Limited.
- Board of Directors of the Holding Company has approved further equity investment of ₹ 24 crore (including premium, if any) in Indian Railway Stations Development Corporation Limited over and above the amount of ₹ 40 crore already committed. Further Rites limited has been introduced as third strategic partner / shareholder in Indian Railway Stations Development Corporation Limited and revised Promoters' agreement be entered into between RLDA, IRCON & RITES with shareholding in the ratio of 50:26:24.

8.2 Non-Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
A. Considered Good : Secured		
Staff Loans and Advances	0.13	0.23
B. Considered Good : Unsecured		
(i) Loans to Related Parties:		
Joint Ventures		
- Chhattisgarh East West Railway Ltd.	39.00	39.00
(ii) Others:		
Staff Loans & Advances *	0.20	0.28
Total	39.33	39.51

* Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amount due from directors included in staff loans and advances	0.0004	0.0020
Total	0.0004	0.0020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

8.3 Non-Current Assets - Other Financial Assets

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured		
Security Deposits		
- Government Departments	0.03	0.06
- Others	0.39	0.40
Contract Asset:		
- Retention Money with Client	113.09	104.78
- Money Withheld by Client	3.47	3.47
- Construction cost incurred in terms of SCA {Refer foot note (iv)}	316.60	134.26
Fixed Deposits having remaining maturity of more than 12 months {refer foot note (i)}	8.56	0.41
Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee)	0.25	2.39
Fixed Deposits received from Contractors {refer foot note (ii)}	7.09	8.89
Interest Accrued on Advances to Staff #	0.23	0.33
Recoverable from Rail Land Development Authority (RLDA) {Refer foot Note (iii)}	1,870.56	2,590.45
Total	2,320.27	2,845.44

Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amount due from directors included in interest accrued on staff loans and advances	-	0.0029
Total	-	0.0029

Foot Notes:-

- (i) Includes FDRs under Lien for ₹ 0.41 crore (₹ 0.41 crore)
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) The Group 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 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.
- (iv) Construction Cost pertains to the Highway being made by the Ircon Vadodara Kim Expressway Limited and Ircon Davanagere Haveri Highway Limited under Hybrid Annuity Model (HAM).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

9. Deferred Tax Assets and Income Tax

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2020	31 st March 2019
1	Profit and Loss Section		
	Current income tax :		
	Current income tax charge	163.16	219.63
	Adjustment in respect of current tax of previous year	(14.76)	(50.89)
	Deferred tax :		
	Relating to origination and reversal of temporary differences	38.28	5.45
	Income tax expense reported in the Profit and Loss section	186.68	174.19
2	Other Comprehensive Income (OCI) Section		
	Income tax related to items recognised in OCI during the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	0.30	0.69
	Net loss/(gain) on foreign operation translation	(1.30)	(4.87)
	Income tax expense reported in the OCI section	(1.00)	(4.18)

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

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2020	31 st March 2019
1	Accounting profit before income tax	668.03	612.29
2	Tax on Accounting profit	172.97	215.42
3	Effect of Tax Adjustments:		
	(i) Adjustments in respect of current income tax of previous years	(14.73)	(50.80)
	(ii) Utilisation of previously unrecognised tax losses	-	-
	(iii) Impact of Rate Difference	40.46	-
	(iv) Tax on Income exempt from tax	(12.22)	(17.67)
	(v) Non-deductible expenses for tax purposes:		
	- Other country additional tax	9.82	19.07
	- Other non-deductible expenses	4.98	5.80
	(vi) Tax effect of various other items	(15.60)	(1.81)
4	Income tax expense reported in the Statement of Profit and Loss	185.68	170.01
5	Effective Tax Rate	27.80%	27.77%

(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 of loss	
		31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(121.69)	(20.42)	101.27	4.26
2	Provisions	75.65	111.40	35.75	6.76
3	Items disallowed u/s 43B of Income Tax Act, 1961	0.04	-	(0.04)	-
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	29.93	36.26	6.33	(5.30)
5	Business Losses	101.57	0.88	(100.69)	(0.61)
6	Preliminary Expenses and Others	4.64	0.30	(4.34)	0.34
	Net deferred tax assets/(liabilities)	90.14	128.42	38.28	5.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(d) Reflected in the balance sheet as follows:

(₹ in crore)

S.No.	Particulars	31 st March 2020	31 st March 2019
1	Deferred tax assets	211.83	148.84
2	Deferred tax liability	(121.69)	(20.42)
	Deferred Tax Asset/(Liabilities) (Net)	90.14	128.42

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 31st March 2020

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2019 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31 st March 2020 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(20.42)	(101.27)	-	(121.69)
2	Provisions	111.40	(35.75)	-	75.65
3	Items disallowed u/s 43B of Income Tax Act, 1961	-	0.04	-	0.04
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	36.26	(6.33)	-	29.93
5	Business Losses	0.88	100.69	-	101.57
6	Preliminary Expenses and Others	0.30	4.34	-	4.64
	Net deferred tax assets/(liabilities)	128.42	(38.28)	-	90.14

As at 31st March 2019

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2018 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31 st March 2019 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(16.16)	(4.26)	-	(20.42)
2	Provisions	118.16	(6.76)	-	111.40
3	Items disallowed u/s 43B of Income Tax Act, 1961	-	-	-	-
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	30.96	5.30	-	36.26
5	Business Losses	0.27	0.61	-	0.88
6	Preliminary Expenses and Others	0.64	(0.34)	-	0.30
	Net deferred tax assets/(liabilities)	133.87	(5.45)	-	128.42

10. Other Non-Current Assets

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured		
Advances Other than Capital Advances		
Advances to Contractors against material and machinery	113.88	154.74
Advances to Contractors, Suppliers and Others	0.07	0.07
Deposits with Tax Departments	0.17	0.20
Interest Accrued on :		
- Advances to Contractors, Suppliers & others	15.49	0.89
Fair valuation adjustment	-	0.01
Total	129.61	155.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

11. Inventories

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated)		
- In Hand	30.95	23.58
- With Third Parties	26.05	30.90
Others (Scrap)	0.29	0.29
Construction Work In progress (at Cost)	263.38	277.17
Total	320.67	331.94

12. Current Assets - Financial Assets

12.1 Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Investment at Fair Value through Profit & Loss		
Investment in Mutual funds (Quoted)		
SBI Premier Liquid Fund - Daily Dividend Plan : No. of Units : Nil (31 March 2019 : 6,93,682.97)	-	69.59
UTI Liquid Cash Plan - Direct Plan - Daily Dividend : No. of Units : Nil (31 March 2019 : 2,95,575.202)	-	30.13
Total (Refer foot note (i))	-	99.72
Aggregate Book Value of Quoted Investments	-	99.72
Aggregate Market Value of Quoted Investments	-	99.72
Aggregate Book Value of Unquoted Investments	-	-
Aggregate amount of Impairment in Value of Investments	-	-

(i) Includes ₹ Nil (as on 31 March 2019 ₹ 4.61 crore) for project site at Bandra (East).

12.2 Current Financial Assets - Trade Receivables

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured*	551.19	666.04
Considered Doubtful : Unsecured	27.18	27.28
Less : Impairment allowances for doubtful debts	(27.18)	(27.28)
Total	551.19	666.04

*Includes Receivables from related parties ₹ 214.76 crore (As at 31st March 2019 : ₹ 95.09 crore) and are disclosed in Note 36 (c) 4.1.

12.3 Current Financial Assets - Cash and Cash equivalents

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Cash in hand		0.08	0.06
Cheques/drafts in hand	(i)	7.65	0.08
Remittance in Transit		0.19	4.50
Balances with banks:			
- On current accounts	(iii)	183.82	136.78
- Flexi Accounts	(ii) & (iv)	139.17	213.44
- Deposits with original maturity of less than 3 months	(ii) & (v)	562.20	537.26
Total (Refer Note vii)		893.11	892.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

12.4 Current Financial Assets - Other Bank Balances

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Other Bank Balances			
- Deposits with original maturity of more than 3 months but less than 12 months	(ii) & (vi)	1,776.84	2,170.98
- Deposits with original maturity of more than 3 months but less than 12 months (Bank Guarantee)		2.68	2.29
Total		1,779.52	2,173.27

Foot Notes (Note 12.3 and 12.4) :-

- (i) Includes Cheques/drafts in hand of ₹7.65 crore (31st March 2019 : ₹ Nil), encashability of which is restricted by the order of court.
- (ii) Includes Clients Fund of ₹1,825.89 crore (31st March 2019 : ₹2,256.30 crore) on which interest is passed on to them.
- (iii) Includes ₹ 1.11 crore (₹ 0.44 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon PB Tollway Limited and ₹ 0.02 crore (₹ 0.01 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Shivpuri Guna Tollway Limited.
- (iv) Includes ₹ 11.65 crore (₹ 0.85 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon PB Tollway Limited and ₹ 3.30 crore (₹ 6.10 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Shivpuri Guna Tollway Limited.
- (v) Includes ₹ Nil (₹ 3.50 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon Shivpuri Guna Tollway Limited.
- (vi) Includes Client fund of ₹ 8 crore (₹ 95.12 crore) of Ircon Infrastructure & Services Limited.
- (vii) Includes Clients Fund of ₹ 92.71 crore (31st March 2019 : ₹ Nil) of Ircon Infrastructure & Services Limited.

12.5 Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
A. Considered Good : Secured		
Staff Loans and Advances	0.41	0.62
B. Considered Good : Unsecured		
Staff Loans & Advances *	1.21	1.27
Total	1.62	1.89

* Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amount due from directors included in staff loans and advances	0.0020	0.0048
Total	0.0020	0.0048

12.6 Current Assets - Other Financial Assets

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured			
Security Deposits			
- Government Departments		17.50	30.33
- Others		133.28	127.70
Contract Asset:			
- Billable Revenue / Receivable not due	(ii) (a) & (b)	214.13	221.43
- Construction Work in Progress (At realisable value)	(ii) (b)	161.57	178.16
- Construction cost incurred in terms of SCA	(iv)	434.57	1.01
- Retention Money with Client	(iii)	14.55	6.39
- Money Withheld by Client	(iii)	192.09	70.90
Earnest Money Deposit		0.26	0.61
Fixed deposits having remaining maturity of less than 12 months		-	8.95
Fixed deposits having remaining maturity of less than 12 months (Bank Guarantee)		-	0.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Fixed Deposits received from Contractors	(v)	19.32	18.56
Interest Accrued on :			
- Advance to Staff	(i)	0.51	0.61
- Loans to Related Parties		8.15	4.40
- Advances to Rail Land Development Authority (RLDA)		212.85	274.42
- Deposits with Banks		33.20	49.32
- Bonds		17.86	17.83
Share Application Money pending Allotment :			
Indian Railway Stations Development Corporation Limited - 301 equity shares of Rs.10 each (31 March 2019 : 1,42,00,000)		-	14.20
Other Recoverable :			
(a) Recoverable from Related Parties (Joint Ventures)			
- RICON		-	1.02
- International Metro Civil Contractor		3.66	3.62
- Metro Tunnelling Group		4.37	4.20
- Ircon Soma Tollway Private Limited		0.02	7.05
- Indian Railway Station Development Corporation Limited		0.99	0.96
- IRCON - AFCON JV		29.43	29.47
- Chhattisgarh East Railway Limited		0.60	0.24
- Bastar Railway Private Limited		0.56	-
- Mahanadi Coal Railway Limited		1.40	1.04
(b) Recoverable from Govt. of Mozambique		-	38.22
(c) Recoverable from Rail Land Development Authority (RLDA)		615.31	516.53
(d) Claims Recoverable from Clients		18.72	15.38
(e) Advance Lease Rent		0.19	0.22
(f) Others	(vi) & (vii)	59.62	116.68
Considered Doubtful : Unsecured			
Security Deposits			
- Government Departments		0.12	0.12
- Others		0.26	0.19
Earnest Money Deposit		0.16	0.16
Contract Asset:			
- Retention Money with Client		5.99	5.99
- Money Withheld by Client		5.68	5.74
Recoverable from Ircon Soma Tollway Private Limited		0.05	-
Recoverable from Rail Land Development Authority (RLDA)		5.81	-
Less : Impairment allowance for doubtful financial assets		(18.07)	(12.20)
Total		2,194.71	1,759.89

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 (₹ Nil).

Details of amount due from Directors :

(₹ in crore)

Particulars	As At 31 March 2020	As at 31 March 2019
Amount due from directors included in interest accrued on staff loans and advances	0.0028	-
Total	0.0028	-

- ii) (a) Includes Value of work amounting to ₹ 32.77 crore (₹ 16.93 crore) certified by client, but not billed by reporting date.
 (b) Includes Receivables from related parties ₹ 186.67 crore (As at 31st March 2019 : ₹ 95.35 crore) and are disclosed in Note : 36 (c) 4.2(a)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

- iii) Includes Receivables from related parties ₹ 35.13 crore (As at 31st March 2019 : ₹ 0.81 crore) and are disclosed in Note : 36 (c) 4.2 (b)
- iv) Construction Cost pertains to the Highway being made by the Ircon Vadodara Kim Expressway Limited and Ircon Davanagere Haveri Highway Limited under Hybrid Annuity Model (HAM).
- v) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- vi) Includes ₹ 46.94 crores (₹102.51 crore) due from NHAI as Equity support in respect of Ircon PB Tollway Limited.
- vii) Includes ₹ 0.41 crores from NHAI on account of additional concession fees paid in March 2020 due to COVID -19 Lockdown,

13. Current Assets - Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	30.35	41.31
Income Tax Refundable	(0.19)	7.02
Current tax Assets (Net)	30.16	48.33

14. Other Current Assets

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Considered Good : Unsecured		
Advances Other than Capital Advances		
Advances to Contractors against Material and Machinery	279.63	285.32
Advances to Contractors, Suppliers and Others	688.67	532.60
Advance Recoverable from:		
- Sales Tax (including TDS)	340.14	340.11
Less : Deposited under Protest	(218.65)	(218.65)
- Value Added Tax	86.94	112.13
- Goods & Services Tax	423.35	356.17
- Service Tax Input Credit	0.01	0.01
Security Deposits	28.72	15.84
Interest Accrued on:		
Deposits & Advances with Contractors, Suppliers & Others	79.67	90.73
Prepaid Expenses	3.72	5.29
Fair Valuation Adjustment	0.01	0.15
Others	0.03	0.01
Considered Doubtful : Unsecured		
Advances to Contractors, Suppliers and Others	16.93	16.93
Sales Tax (including TDS)	36.05	36.02
Others	-	-
Value Added Tax	7.18	7.18
Less: Impairment allowance for doubtful advances	(60.16)	(60.14)
Total	1,712.24	1,519.71

15. Assets held for Sale

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Assets held for disposal	(i)	0.93	2.07
Total		0.93	2.07

Foot Note :

- (i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realizable value and book value) :-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ 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 st March 2020		As at 31 st March 2019	
					Gross Block	Net Block	Gross Block	Net Block
Plant and Machinery								
Northern Region	Plant and Machinery (Noida Workshop)	Through e-auction like MSTC with expected time of disposal by end of year 2021	-	Domestic : PMD Division	0.78	0.05	0.78	0.05
Northern Region	Plant and Machinery (DMRC CE 6)	Through e-auction like MSTC with expected time of disposal by end of year 2021	-	Domestic	0.19	0.01	-	-
Northern Region	Plant and Machinery (Bikaner Phalodi)	Through e-auction like MSTC with expected time of disposal by end of year 2021	-	Domestic	-	-	3.38	0.19
Malaysia Region	Locomotives - 4 No. (15 No.)	Open Tender	4.40	International	0.16	0.16	0.87	0.87
	NIL (5 No.) of Track Machine, 2No. (Nil) Hopper wagons, 10 No. (9 No.) Flat Wagons, NIL (2 No.) of wide base Tractors & 2 No. (NIL) Coaches	Open Tender	0.44	International	0.14	0.14	0.50	0.30
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
Vehicles								
Malaysia Region	NIL (2 No.) of Road Vehicle	Limited Tender	-	International	-	-	0.12	0.03
Office Equipments								
Malaysia Region	28 Items (NIL) of Office Equipments, 17 No. (NIL) of Airconditioners & 68 Items (NIL) of Electrical Appliances	Limited Tender	-	International	0.03	-	-	-
Furniture & fixtures								
Malaysia Region	79 Items of Furnitures	Limited Tender	-	International	0.01	-	-	-
Freehold Land								
Northern Region	Freehold Land (Northern Regional Office)	Through e-tender	-	Domestic	-	-	0.06	0.06
Freehold Building - Residential								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
Total					7.59	0.93	11.99	2.07

Note :-

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 ₹ 0.01 crore (March 2019 : Nil) has been provided for.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

16. Equity Share Capital

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Authorised Share Capital		
40,00,00,000 Equity shares of ₹ 10 each (refer note no. (f))	400.00	400.00
(40,00,00,000 Equity shares of ₹ 10 each as at 31st March 2019)	400.00	400.00
Issued/Subscribed and Paid up Capital		
9,40,51,574 Equity shares of ₹ 10 each-fully paid	94.05	94.05
(9,40,51,574 Equity shares of ₹ 10 each-fully paid as at 31 st March 2019)	94.05	94.05

(a) Details of shareholders holding more than 5% of fully paid up equity shares

Name of the shareholder	As At 31 March 2020		As at 31 March 2019	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Government of India in the name of the President of India and Government nominees	838,78,417	89.18%	838,78,417	89.18%

(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 31 st March 2020	As at 31 st March 2019	As at 31 st March 2018	As at 31 st March 2017	As at 31 st March 2016	As at 31 st March 2015
	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	-	-	-	791,84,000	-	-
Equity shares Buy Back	-	-	49,28,426	-	-	-
Total	-	-	49,28,426	791,84,000	-	-

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 236th 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 ₹ 10 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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No of shares	₹ in crore	No of shares	₹ in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	940,51,574	94.05	940,51,574	94.05
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	940,51,574	94.05	940,51,574	94.05

(e) Consequent upon Govt. of India decision to disinvest, 99,05,157 shares of the Holding Company were allotted to public on 26th September 2018 and shares of the holding company listed on NSE & BSE on 28th September 2018. However, this IPO was for disinvestment of shares held by Government of India so, Holding Company's Share Capital is not affected. The proceeds of the disinvestment have been realized by Govt. of India (GOI).

(f) The shareholders through postal Ballot on 22nd March, 2020 have approved :

(i) Split the face value of one equity share from ₹ 10/- each into five equity shares of ₹ 2/- each which have been reflected at Stock exchanges w.e.f. 3rd April, 2020.

(ii) Amended the Capital Clause in the Memorandum of Association of the Holding Company.

17. Other Equity

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Retained Earnings	791.89	580.93
General Reserve	3,284.64	3,284.64
Capital Redemption Reserve	4.93	4.93
Other Comprehensive Income	(4.19)	(0.33)
Total	4,077.27	3,870.17
i) Movement as per below:		
(a) Retained Earnings		
Opening Balance	580.93	368.87
Transfer from surplus in statement of profit and loss	485.31	450.07
Dividend declared and paid during the year including Corporate Dividend Tax	(122.74)	(117.24)
Interim Dividend including Tax thereon	(152.50)	(121.55)
Re-measurement of defined benefit plans (net of tax)	0.89	1.28
Changes in carrying value of Investments in Joint Ventures Other than share in Profit/(Loss)	-	(0.50)
Closing Balance	791.89	580.93
(b) General Reserve		
Opening and Closing Balance	3,284.64	3,284.64
(c) Capital Redemption Reserve		
Opening and Closing Balance	4.93	4.93
(d) Other Comprehensive Income		
Opening Balance	(0.33)	8.74
Foreign Currency Translation (net of tax) during the year	(3.86)	(9.07)
Closing Balance	(4.19)	(0.33)
Grand Total (a+b+c+d)	4,077.27	3,870.17

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(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 31 st March 2020	As at 31 st March 2019
Cash dividends on equity shares declared / paid:		
Final Dividend of FY 2018-19 paid during 2019-20: INR 10.825 per share (Paid during FY 2018-19: INR 10.34 per share)	101.81	97.25
Dividend distribution tax final dividend	20.93	19.99
Interim dividend paid during 2019-20: INR 13.45 per share (FY 2018-19: INR 10.72 per share)	126.50	100.82
Dividend distribution tax on interim dividend	26.00	20.72
Total	275.24	238.78

iv) **Event occurring after the reporting period**

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting :		
Dividend for 31 March 2020: INR 2.06 per share on face value of ₹ 2/- per equity share (31 March 2019: INR 10.825 per share on face value of ₹ 10/- per equity share)	96.87	101.81
Dividend distribution tax on proposed dividend	-	20.93
Total	96.87	122.74

18. Non-Current Liabilities - Financial Liabilities

18.1 Non-Current Financial Liabilities - Borrowings

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Unsecured:		
Loan From Indian Railway Finance Corporation {Refer Notes below}	1,845.92	2,560.00
Total	1,845.92	2,560.00

Notes :

(a) **Terms and Conditions of the unsecured Loan :**

The Group 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 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 8.3 (Foot Note (iii))).

(b) **Rate of Interest :**

(i) 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.

(ii) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

18.2 Non-Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(A) Micro, Small & Medium Enterprises	-	-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	-	-
Total	-	-

Notes:

- Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 44.
- Terms and Conditions and other balances with related parties are disclosed in Note 36.

18.3 Non-Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Deposits and Retention Money	400.39	313.70
Amount Payable to Client	0.23	0.18
Interest Payable on Advance from Client	7.08	31.26
Lease Liability	0.14	-
Total	407.84	345.14

19. Provisions

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2020	As at 31 st March 2019
Provision for Employee Benefits	19.1	109.26	104.15
Other Provisions	19.2	209.47	368.61
		318.73	472.76
Current		239.83	392.83
Non Current		78.90	79.93

19.1 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 35.
- 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	Total
As at 01-April-2019	0.02	62.38	1.28	9.27	31.06	0.15	104.16
Current	-	6.91	0.14	9.27	31.06	0.01	47.39
Non Current	0.02	55.47	1.14	-	-	0.14	56.77
Provision made during the year	0.01	14.04	0.16	5.67	27.44	-	47.32
Less: Utilization during the year	-	(8.03)	(0.16)	(4.49)	(29.64)	(0.02)	(42.34)
Less: Write Back during the year	-	-	-	-	-	(0.02)	(0.02)
(Exchange Gain) / Loss	-	0.13	-	-	-	-	0.13
As at 31-March-2020	0.03	68.52	1.28	10.45	28.86	0.11	109.25
Current	-	8.52	0.18	10.45	28.86	-	48.01
Non Current	0.03	60.00	1.10	-	-	0.11	61.24

* Includes ₹. 0.80 crore for employees posted on Foreign Projects on which leave salary provision has been made on actual basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

19.2 Other Provision

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows :

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.

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.

(₹ in crore)

Particulars	Demobilisation	Maintenance	Legal Cases	Other Expenses	Total
As at 01-April-2019	13.39	49.95	68.30	236.96	368.60
Current	12.38	27.80	68.30	236.96	345.44
Non Current	1.01	22.15	-	-	23.16
Provision made during the year	0.15	4.87	5.35	33.78	44.15
Less: Utilization during the year	(0.08)	(14.82)	(23.13)	(160.39)	(198.42)
Less: Write Back during the year	(0.43)	(0.03)	(5.34)	(3.06)	(8.86)
(Exchange Gain) / Loss	0.96	1.26	-	0.52	2.74
Unwinding of discount	0.02	1.25	-	-	1.27
As at 31-March-2020	14.01	42.48	45.18	107.81	209.48
Current	12.76	26.07	45.18	107.81	191.82
Non Current	1.25	16.41	-	-	17.66

20. Other Non-Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
a) Contract Liability		
Advance from clients	267.88	678.58
b) Others		
Upfront Amount from Sub-leasing of MFCs	30.28	31.76
Total	298.16	710.34

21. Current Liabilities - Financial Liabilities

21.1 Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(A) Micro, Small & Medium Enterprises	8.08	18.95
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	581.11	546.54
Total	589.19	565.49

Notes:

- a) Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 44.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

21.2 Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Current Maturities of Long-Term Debt :		
Loan From Indian Railway Finance Corporation	615.31	516.53
Interest Accrued on Loan from Indian Railway Finance Corporation	210.00	272.77
Gratuity Payable	3.32	4.01
Deposits, Retention Money and Money Withheld	972.16	742.26
Amount Payable to Client	671.46	475.54
Interest Payable on Advance from Client	252.17	205.80
Other Payables (including Staff Payable)	234.42	85.40
Lease Liability	0.03	-
Total	2,958.87	2,302.31

22. Other Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
a) Contract Liability		
Advance from Clients	2,039.86	2,170.33
Less: Deposits under protest	(218.65)	(218.65)
Advance Contract Receipts	263.78	229.42
b) Other Advances		
Advance from others	-	1.33
c) Others		
Statutory dues	169.88	205.69
Upfront Amount from Sub - leasing of MFCs	1.43	1.44
Total	2,256.30	2,389.56

Notes:

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

23. Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Provision for tax (Net of Advance Tax) (Refer Note no. 47(a))	32.03	8.64
Total	32.03	8.64

24. Revenue from Operations

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Contract Revenue	5,091.48	4,222.70
Revenue from Toll Operations	139.36	77.62
Company's share of turnover in Integrated Joint operations (unincorporated)	0.39	6.86
Machinery Hire Charges	16.66	11.41
MFC Leasing	16.65	17.79
Project Management Consultancy	106.65	47.68
Other Operating Revenue	20.32	414.37
Total	5,391.51	4,798.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

25. Other Income

(₹ in crore)

Particulars	For the year ended 31 st March 2020		For the year ended 31 st March 2019	
Interest Income :				
Interest on Tax Free Bonds		22.10		22.07
Interest on Refund of Income-tax		0.15		34.81
Interest on Staff Advances		0.10		0.14
Interest on loan to Related Parties*		3.61		4.87
Interest on Advances and Others	27.10		13.96	
Less:- Other Interest Passed to Clients	(9.35)	17.75	(1.22)	12.74
Interest income on Unwinding of Financial Instruments		0.14		0.39
Bank Interest Gross	168.26		194.85	
Less:- Interest passed to Clients	(110.78)	57.48	(128.11)	66.74
Others :				
Profit on Sale of Assets		29.08		15.59
Profit on Sale of Mutual Funds		0.96		-
Miscellaneous Income		12.68		24.19
Exchange Fluctuation Gain	17.87		-	
Less:- Exchange Fluctuation Loss	(17.75)	0.12	-	-
Dividend Income	6.15		14.68	
Less:-Dividend passed to Clients	(2.15)	4.00	(5.04)	9.64
Total		148.17		191.18

* Interest on Loan to Related Parties:

(₹ in crore)

Particulars of Related Parties	2019-20	2018-19
- Chhattisgarh East-West Railway Limited	3.61	4.87
	3.61	4.87

26. (i) Materials and Stores consumed

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020		For the year ended 31 st March 2019	
Opening Balance		54.77		32.24	
Add: Purchases during the year	(i)	352.22		413.22	
		406.99		445.46	
Less: Closing Balance		(57.28)	349.71	(54.77)	390.69
Total			349.71		390.69

(i) Includes Exchange gain/ (loss) of Ind AS for ₹ (1.70) crore (As at 31st March 2019 : ₹ (0.80) crore).

26. (ii) (Increase)/ Decrease in WIP

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020		For the year ended 31 st March 2019	
Opening Balance		277.17		108.31	
Add : Adjustments during the year for Exchange gain/ (loss)		2.10		(0.51)	
		279.27		107.80	
Less : Closing Balance		(263.38)	15.89	(277.17)	(169.37)
Total			15.89		(169.37)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

26. (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Work Expenses		4,093.20	3,504.50	-	-
Toll Operation and Maintenance Expenses		15.93	7.62	-	-
Design, Drawing, Business Development & Consultancy Charges		3.62	9.21	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		20.86	16.92	-	-
Repairs and Maintenance of Machinery		4.77	6.36	-	-
Hire charges of Machinery		7.45	6.74	-	-
Exchange Fluctuation Loss		-	-	-	24.91
Less:- Exchange Fluctuation Gain		-	-	-	(22.58)
Net Exchange Fluctuation Loss		-	-	-	2.33
Rent - Non-residential {refer note 43 (a)}		5.52	5.87	1.50	1.82
Rates and Taxes		32.14	32.34	1.01	0.58
Vehicle Operation and Maintenance		12.84	15.77	1.81	1.74
Repairs and Maintenance					
- Building		0.04	0.13	0.91	0.79
- Office and Others		3.23	4.14	5.04	4.99
Power, Electricity and Water Charges		5.17	4.25	1.76	1.59
Insurance		6.06	5.65	0.45	0.57
Travelling & Conveyance		12.19	13.92	2.71	3.12
Printing & Stationery		1.14	1.34	0.88	0.85
Postage, Telephone & Telex		1.49	1.55	0.56	0.68
Legal & Professional Charges		21.14	19.38	6.54	7.68
Security Services		1.61	2.76	0.69	0.62
Listing Expenses (Refer note No. 16 (e))		-	-	0.23	4.19
Business Promotion		0.19	0.21	0.98	0.62
Write-off of :					
- Debts		-	0.27	-	-
- Advances		-	0.37	-	-
- Other Assets		0.04	0.30	-	-
Loss on Sale of Assets/Stores		-	-	0.55	1.19
Director's Sitting Fee		-	-	0.21	0.14
Donation		-	-	0.02	0.04
Auditor's Remuneration	(i)	-	-	0.79	0.86
Advertisement & Publicity		-	-	4.20	6.07
Training & Recruitment		-	-	1.22	1.50
Corporate Social Responsibility (Refer Note No. 45)		-	-	10.18	8.95
Miscellaneous Expenses		5.99	5.99	2.50	1.79
Interest on Late Payment of Statutory dues		-	-	0.05	-
Fee & Subscription Charges		-	-	0.11	0.06
Proportionate share of expenses in Integrated Joint operations (unincorporated)		0.22	3.47	-	-
Provisions (Addition - Write Back) (Refer Note 19)		41.09	141.00	-	-
Provisions Utilised (Refer Note 19)		(198.45)	(27.07)	-	-
Preliminary Expenses		-	0.10	-	-
Total		4,097.48	3,783.09	44.90	52.77

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Foot Note :

(i) Payment to Statutory Auditors:

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
(a) Audit Fee - Current Year	0.37	0.43
(b) Tax Audit Fees - Current Year	0.10	0.12
(c) Fee for Quarterly Limited Review	0.17	0.11
(d) Certification Fees	0.07	0.05
(e) Travelling & Out of Pocket Expenses:		
- Travelling Expenses	0.03	0.06
- Out of Pocket Expenses	0.05	0.09
Total	0.79	0.86

27. Employee Remuneration and Benefits

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020			For the year ended 31 st March 2019		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	161.33	69.42	230.75	164.21	55.35	219.56
Contribution to Provident and Other Funds		9.71	3.90	13.61	9.16	3.62	12.78
Foreign Service Contribution		0.96	0.92	1.88	1.70	0.23	1.93
Retirement Benefits		17.84	13.58	31.42	16.79	10.84	27.63
Staff Welfare		1.31	0.37	1.68	1.37	0.30	1.67
Total		191.15	88.19	279.34	193.23	70.34	263.57

Foot Notes:- (i) Includes income-tax on non-monetary perks ₹ 0.51 crore (As at 31st March 2019 : ₹ 0.56 crore).

28. Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest Expense	(i)	239.00	281.44
Less: Interest on Advance to Rail Land Development Authority (RLDA)		(220.35)	18.65
Other Borrowing Cost			(278.36)
- Bank Guarantee & Other Charges			7.81
Interest on Unwinding of Financial Instruments			-
Amortisation of Financial Instruments			0.14
Unwinding of Discount on Provisions			1.27
Total		27.87	14.53

Foot Notes:- (i) Includes interest on income-tax ₹ 6.66 crore (As at 31st March 2019 : ₹1.51 crore).

29. Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Depreciation of Property, Plant and Equipment	14.74	12.69
Depreciation of Right to Use - Lease Assets	0.33	-
Amortization of Intangible Assets	66.76	38.88
Depreciation of Investment Property	1.10	0.04
Impairment of Assets	0.01	-
Total	82.94	51.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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	Remeasurement Gain/(Loss) on Defined Benefit Plans (Presented in Retained Earning)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Remeasurement Gain/(Loss) on Defined Benefit Plans	1.19	1.97
Income Tax relating to Items that will not be reclassified to profit or loss	(0.30)	(0.69)
Total	0.89	1.28

(₹ in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Foreign Exchange Translation Differences	(5.15)	(13.94)
Income Tax relating to Items that will be reclassified to profit or loss	1.30	4.87
Total	(3.85)	(9.07)
Grand Total	(2.96)	(7.79)

31. 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

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

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	-	-	-	-
Total	-	-	-	-
Financial Assets at Amortized Cost				
(i) Investments				
Investments in Tax Free Bonds	291.45	-	-	291.45
(ii) Loans	40.95	-	-	40.95
(iii) Other Financial Assets	4,514.98	-	-	4,514.98
Total	4,847.38	-	-	4,847.38

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	1,845.92	-	-	1,845.92
(ii) Other Financial Liabilities	3,366.71	-	-	3,366.71
Total	5,212.63	-	-	5,212.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss ('FVTPL')				
Investment in Mutual Funds	99.72	99.72	-	-
Total	99.72	99.72	-	-
Financial Assets at Amortized Cost				
(i) Investments				
Investments in Tax Free Bonds	291.40	-	-	291.40
(ii) Loans	41.40	-	-	41.40
(iii) Other Financial Assets	4,605.33	-	-	4,605.33
Total	4,938.13	-	-	4,938.13

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	2,560.00	-	-	2,560.00
(ii) Other Financial Liabilities	2,647.45	-	-	2,647.45
Total	5,207.45	-	-	5,207.45

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.

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 2019-20 and 2018-19, 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, 2020 and March 31, 2019, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹ 16.27 crore and ₹ 1.41 crore respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

The Group's significant exposure to foreign currency risk at the end of reporting period are as follows:

As at 31 March 2020

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	ZAR	JPY	Total
Assets									
Trade Receivables	27.34	0.32	21.37	-	-	1.68	-	-	50.71
Cash & Bank Balances	44.23	60.42	74.19	-	13.30	24.64	15.70	-	232.48
Advance to Contractors	1.51	-	0.70	24.42	-	-	-	-	26.63
Other Assets	109.21	-	71.24	112.63	0.93	0.61	15.81	-	310.43
Total	182.29	60.74	167.50	137.05	14.23	26.93	31.51	-	620.25
Liabilities									
Trade Payables	43.84	8.43	35.47	7.94	9.45	0.99	-	-	106.12
Advance from Client	78.48	-	-	-	-	0.26	-	-	78.74
Other Liabilities	10.40	1.45	49.71	-	0.96	1.96	45.53	-	110.01
Total	132.72	9.88	85.18	7.94	10.41	3.21	45.53	-	294.87

As at 31 March 2019

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	ZAR	JPY	Total
Assets									
Trade Receivables	111.35	20.75	23.00	-	-	0.09	-	73.09	228.28
Cash & Bank Balances	39.30	9.81	64.49	1.93	1.17	9.04	18.36	-	144.10
Advance to Contractors	-	-	0.25	11.03	-	-	1.53	-	12.81
Other Assets	7.38	1.03	29.38	53.62	0.09	0.49	13.31	-	105.30
Total	158.03	31.59	117.12	66.58	1.26	9.62	33.20	73.09	490.49
Liabilities									
Trade Payables	57.31	14.87	15.85	10.90	0.01	0.73	2.91	24.62	127.20
Advance from Client	86.70	-	-	-	-	0.63	-	-	87.33
Other Liabilities	21.18	4.49	37.03	37.12	0.59	2.14	31.58	-	134.13
Total	165.19	19.36	52.88	48.02	0.60	3.50	34.49	24.62	348.66

(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 manages its interest risk in accordance with the group's 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 Group does not have any interest risk on loans / borrowings as it bears fixed rate of interest.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Exposure to Credit Risk

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Non Current Investments	291.45	291.40
Non Current Loans	39.33	39.51
Other Non Current Financial Assets	1,887.11	2,602.93
Current Investments	-	99.72
Cash and Cash Equivalents	893.11	892.12
Other Bank Balances	1,779.52	2,173.27
Current Loans	1.62	1.89
Other Current Financial Assets	1,195.87	1,294.20
Financial Assets for which allowance is measured using Simplified Approach		
Trade Receivables	578.37	693.32
Contract Assets	1,450.07	720.40

Summary of change in loss allowances measured using Simplified approach

(₹ in crore)

Particulars	31-Mar-20	31-Mar-19
Opening Allowances	39.01	40.06
Provided during the year	-	1.43
Utilization during the year	-	(0.65)
Amount written-off	(0.16)	(1.83)
Closing Allowances	38.85	39.01

During the year, the Group has recognised loss allowance of ₹ Nil (31 March, 2019 : ₹ 1.43 crore).

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

(₹ in crore)

Particulars	31-Mar-20	31-Mar-19
Opening Allowances	0.47	0.29
Provided during the year	5.94	0.20
Utilization during the year	(0.01)	
Amount written-off	-	(0.02)
(Exchange Gain) / Loss	-	
Closing Allowances	6.40	0.47

No significant changes in estimation techniques or assumptions were made during the reporting period. During the year, the Group has recognised loss allowance of ₹ 5.94 crore (31 March, 2019 : ₹ 0.20 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 NHA bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

Particulars	As at 31 March, 2020		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	615.31	1,230.61
Trade payables	589.19	-	-
Other financial liabilities	2,958.87	407.84	-

(₹ in crore)

Particulars	As at 31 March, 2019		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	640.00	1,920.00
Trade payables	565.49	-	-
Other financial liabilities	2,302.31	345.14	-

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	
	31-03-2020	31-03-2019
Revenue from top 5 Projects	2,975.30	2,180.23
	2,975.30	2,180.23

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 Group has paid dividend as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows :-

Dividends :-

(₹ in crore)

Particulars	31-Mar-20	31-Mar-19
Dividend Paid	228.31	198.07
Total	228.31	198.07

The BoD has recommended a Final Dividend of Rs. 2.06 per equity share on face value of Rs. 2/- per equity share for the financial year 2019-2020, subject to the approval of the shareholders at the AGM. This is in addition to Interim Dividend paid @ Rs.13.45 per share on face value of Rs.10/- 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.

Consequent upon Govt. of India decision to disinvest 99,05,157 number of shares of the Holding Company, shares of the holding company were listed on NSE and BSE on 28th September, 2018 and the proceeds have been realized by Govt. of India.

Loan raised by the Group from IRFC in the financial year 2017-18 which in turn has been given to RLDA will be repaid from the amount received from RLDA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Debt Equity Ratio :-

(₹ in crore)

Particulars	31-Mar-20	31-Mar-19
Borrowings (Note No. 18.1)	1,845.92	2,560.00
Long Term Debt	1,845.92	2,560.00
Equity (Note No. 16)	94.05	94.05
Other Equity (Note No. 17)	4,077.27	3,870.17
Total Equity	4,171.32	3,964.22
Debt Equity Ratio	0.44	0.65

32. 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	
			31.03.2020	31.03.2019
	Subsidiaries :			
1	Ircon Infrastructure and Services Limited	India	100.00%	100.00%
2	Ircon PB Tollway Limited	India	100.00%	100.00%
3	Ircon ShivpuriGuna 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%
	Joint Ventures :			
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 Rail 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	50.00%	50.00%

- b) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the 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.

316 33. Disclosure as required by Ind AS 1 "Presentation of Financial Statements"

Changes in significant accounting policies:

Policy on 'Leases' has been modified in the significant accounting policies due to the applicability of Ind AS 116 "Leases". Ind AS 116 was notified with effect from April 1, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

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

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

Assets	Amount
Right-of-use assets	5.50
Property, plant and equipment	(5.29)
Prepayments	-
Total assets	0.21
Liabilities	
Financial liabilities - Lease liabilities	0.21
Total liabilities	0.21

The Group has lease contracts for land, office, guest houses 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. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 2.2.18 for the accounting policy on Ind AS 116. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under IAS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019

Leases previously accounted for as operating leases

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

The Group also applied the available practical expedients wherein it:

- (i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- (ii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
- (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- (iv) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

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

Particulars	As at April 01, 2019
Assets	
Operating lease commitments as at March 31, 2019	-
Weighted average incremental borrowing rate as at April 01, 2019	8.77%
Discounted operating lease commitments as at April 01, 2019	0.21
Less:	
Commitments relating to short-term leases	-
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	-
Lease liabilities as at April 01, 2019	0.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

34. Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

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

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

Balance Sheet as at 31st March, 2019

(₹ in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Property, Plant and Equipment	133.95	133.71	0.24
2	Other Current Financial Assets	1,759.89	1,751.30	8.59
3	Trade Payable	565.49	565.66	(0.17)
4	Other Equity	3,870.17	3,861.17	9.00

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Revenue from Operations	4,798.43	4,789.84	8.59
2	Depreciation, Amortisation and Impairment	51.61	51.85	(0.24)
3	Project Expenses	3,783.09	3,783.26	(0.17)
4	Profit for the year	450.07	441.07	9.00
5	Basic Earnings Per Share	47.85	46.90	0.96
6	Diluted Earnings Per Share	47.85	46.90	0.96

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in crore)

S.No.	Particulars	As per revised policy	As per previous policy	Impact
1	Revenue from Operations	5,391.51	5,400.10	(8.59)
2	Depreciation, Amortisation and Impairment	82.94	82.70	0.24
3	Project Expenses	4,097.48	4,097.31	0.17
4	Profit for the year	485.31	494.31	(9.00)
5	Basic Earnings Per Share	51.60	52.56	(0.96)
6	Diluted Earnings Per Share	51.60	52.56	(0.96)

(a) Certain other changes have also been made in all the policies for improved disclosures. There is no impact on the financial statements due to these changes, however, the policy numbers have been changed or rearranged in the current year as required

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

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

35. Employee Benefits

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

(i) Defined Contribution Plans - General Description

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 ₹ 8.97 crore for the period from April 01, 2019 to March 31, 2020 has been paid and accounted for during the period 2019-20.

(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 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 amount available in the fund including the returns on investment is greater than the obligation of the company. During the period, the Company has contributed ₹12.36 crore (₹11.83 crore) to the trust.

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, 2020 a liability of ₹ 3.35 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 also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Holding Company is not liable for providing such benefits to its employees. However, Holding Company has also kept provision of ₹ 10.45 crore (₹ 9.27 crore), based on the decision of management.

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, 2020 is as under:

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 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Defined benefit obligation at the beginning of the period	341.76	295.51	83.73	82.04	101.20	95.74	1.28	1.29
Current service cost	43.39	43.25	4.13	3.97	3.57	3.54	0.07	0.06
Past service cost	-	-	-	-	-	-	-	-
Interest cost	29.60	22.16	6.28	6.15	7.59	7.18	0.10	0.10
Benefits paid	(36.32)	(18.67)	(7.31)	(7.25)	(2.95)	(2.22)	(0.07)	(0.02)
Actuarial (gain) / loss on obligations	1.80	(0.50)	(1.09)	(1.20)	1.56	(3.03)	(0.09)	(0.15)
Defined benefit obligation at the end of the period	380.23	341.76	85.76	83.71	110.96	101.20	1.28	1.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

ii) Changes in fair value of plan assets

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Fair value of plan assets at the beginning of the period	345.51	296.12	79.69	67.97	83.52	71.28	-	-
Contribution by employer & employee	43.39	43.25	4.01	13.47	4.49	8.32	-	-
Benefits paid	(36.32)	(18.67)	(7.31)	(7.25)	(2.95)	(2.22)	-	-
Interest income	27.89	29.36	6.35	5.83	6.01	5.35	-	-
Return on plan asset excluding interest income	-	-	-	-	-	0.80	-	-
LIC mortality charges	-	-	(0.36)	(0.33)	-	-	-	-
Fair value of plan assets at the end of the period	380.48	350.06	82.39	79.69	91.07	83.52	-	-

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 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Fair value of plan assets	380.48	350.06	82.39	79.69	91.07	83.52	-	-
Defined benefit obligation	380.23	341.76	85.76	83.71	110.96	101.20	1.28	1.28
Amount recognised in the Balance Sheet	0.25	8.31	(3.37)	(4.03)	(19.90)	(17.68)	(1.28)	(1.28)

iv) Amount recognised in Statement of profit and loss

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Current service cost	12.43	11.83	4.13	3.98	3.57	3.54	0.07	0.06
Past service cost	-	-	-	-	-	-	-	-
Net interest expense	-	-	0.30	1.08	1.33	1.83	0.10	0.10
Amount recognised in statement of Profit and Loss	12.43	11.83	4.44	5.05	4.89	5.37	0.16	0.16

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 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Actuarial changes arising from changes in demographic assumptions	-	-	0.03	-	0.06	3.03	-	-
Actuarial changes arising from changes in financial assumptions	(0.03)	-	(1.74)	-	(5.33)	0.80	(0.02)	-
Experience adjustments	(1.77)	0.50	2.80	1.20	3.72	-	0.11	0.15
Return on Plan Assets excluding Interest Income	(1.71)	7.20	0.02	0.70	(0.26)	-	-	-
Amount recognised in Other Comprehensive Income	(3.51)	7.70	1.11	1.91	(1.81)**	3.83	0.09	0.15

** The unrecognized actuarial gain/loss (OCI) of ₹ (1.81) crore (₹ 3.83 crore) in respect of liability towards Post-Retirement Medical Benefits (PRMB). Since the liability in respect of PRMB has not been provided as per Actuarial valuation and has been restricted as per DPE guidelines, therefore, the OCI in respect of PRMB, as per Actuarial valuation, has not been considered.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Government of India securities	60.17%	63.41%	-	-	9.52%	10.50%	-	-
State Government securities	-	-	-	-	30.86%	31.87%	-	-
Central & State Guaranteed Bonds	-	-	-	-	18.73%	21.03%	-	-
High quality corporate bonds	36.17%	34.78%	-	-	23.40%	25.83%	-	-
PSU Bond	-	-	-	-	7.35%	2.68%	-	-
PSU Basel III Tier I Bonds	-	-	-	-	8.25%	6.27%	-	-
Debt Mutual Fund	0.29%	-	-	-	-	-	-	-
ETF/INDEX/Equity Mutual Fund	3.37%	1.81%	-	-	1.89%	1.82%	-	-
Fund Managed by Insurer	-	-	100.00%	100.00%	-	-	-	-
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	-	-

vii) The principal assumptions used in determining PF/Gratuity/PRMB/Retirement Allowance liability for the Company's plans are shown below: (₹ in crore)

Particulars	PF		Gratuity		PRMB		Retirement Allowance	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2020
Discount rate	6.92%	7.50%	6.92%	7.50%	6.92%	7.50%	6.92%	7.50%
Future salary increase	-	-	7.50%	8.00%	7.50%	8.00%	7.50%	8.00%
Mortality rate	100% IALM (2012-14)	100% IALM (2006-08)	100% IALM (2012-14)	100% IALM (2006-08)	100% IALM (2012-14)	100% IALM (2006-08)	100% IALM (2012-14)	100% IALM (2006-08)

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)	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Present value of obligation at the end of period	380.23	341.76	85.71	83.70	110.96	-	1.28	-
Discount rate	-	-	-	-	-	-	0.07	0.08
Increase by 0.50%	(0.03)	(0.03)	(2.40)	(2.32)	(4.19)	-	(0.05)	-
Decrease by 0.50%	0.03	0.03	2.56	2.47	4.51	-	0.05	-
Future salary increases	-	-	-	-	-	-	0.08	0.08
Increase by 0.50%	-	-	1.10	1.13	-	-	0.05	-
Decrease by 0.50%	-	-	(1.13)	(1.18)	-	-	(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 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 Rs. 25.68 Crore

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

x) Maturity profile of defined benefit obligation is as under

Duration of defined benefit obligation duration (years)	Provident Fund	Gratuity	Post retirement medical benefit plan	Retirement Allowance
1	91.55	13.72	2.91	0.18
2	-	11.25	5.24	0.16
3	-	9.81	5.82	0.14
4	-	8.03	6.82	0.12
5	118.20	7.28	7.61	0.12
6	-	6.92	8.24	0.11
6 year onward	170.27	28.71	74.34	0.45
Total	380.02	85.71	110.96	1.28

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:

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.

36. 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 ShivpuriGuna Tollway Limited
 Ircon Davanagere Haveri Highway Limited
 Ircon Vadodara Kim Expressway Limited

(ii) Joint Venture Companies

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

(iii) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation

IRCON-AFCONS
 Express Freight Consortium
 Express Freight Railway Consortium

Completed Joint Operations

RICON
 International Metro Civil Contractor
 Metro Tunnelling Group

Financially Closed Joint Operations

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

Whole Time Directors

Name	Designation
Shri S.K. Chaudhary	CMD & Chief Executing Officer (CEO)
Shri M.K. Singh	Director (Finance) & Chief Financial Officer (CFO)
Shri Shyam Lal Gupta	Director (Projects), w.e.f 01.11.2019
Shri Yogesh Kumar Misra	Director (Works)
Shri Deepak Sabhlok	Former Director (Projects), ceased to be director and KMP on 31.10.2019 upon attaining the age of superannuation

Company Secretary

Name	Designation
Ms. Ritu Arora	Company Secretary

(B) Other Directors

Government Nominee Part-Time (Official) Directors

Name	Designation
Shri Piyush Agarwal	Non-executive Director upto 31.03.2020
Shri S.C. Jain	Non-executive Director, upto 8 th May, 2019
Shri Hari Mohan Gupta	Non-executive Director, w.e.f. 15 th May, 2019

Independent Directors

Name	Designation
Dr. C.B Venkataramana	Non-executive Director
Dr. Narendra Singh Raina	Non-executive Director
Shri Ashok Kumar Ganju	Non-executive Director
Shri Avineesh Matta	Non-executive Director, re-appointed w.e.f. 15 th July, 2019 upto 31.03.2020
Prof. Vasudha V. Kamat	Non-executive Director, re-appointed w.e.f. 15 th July, 2019 upto 31.03.2020

(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 89.18% of equity shares in the name of President of India as at 31st March, 2020. Pursuant to Para 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements.

The Company has significant transaction with the following government related entities:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

b) Transactions with Key Management Personnel (KMP)/ Other Directors are as follows:

(₹ in crore)

S. No.	Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
1	Short term employment benefits (i)	3.27	1.89
2	Other long-term employment benefits	0.58	0.28
3	Sitting fees	0.20	0.14
	Total	4.05	2.31

Note: (i) Figures of FY 2019-20 include PRP of ₹ 1.02 crore paid during the year for FY 2017-18 & FY 2018-19 on provisional basis (FY 2018-19 include PRP of ₹ 0.22 crore paid during the year for the FY 2016-17).

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

Transactions with other related parties are as follows :

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	For the year ended 31 st March 2020	For the year ended 31 st March 2019
1	Sale of goods and services				
1.1	Contract Revenue	Chhattisgarh East Railway Limited	Joint Venture Companies	332.19	379.01
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	21.70	14.84
		Mahanadi Coal Rail Limited	Joint Venture Companies	21.75	14.83
		Jharkhand Central Railway Limited	Joint Venture Companies	9.49	11.48
		Baster Railway Private Limited	Joint Venture Companies	21.19	-
		Express Freight Consortium	Joint Operations	355.86	224.85
		Express Freight Railway Consortium	Joint Operations	2.34	0.99
		Ministry of Railways	Government Related Entities	3,072.95	2,400.74
1.2	Rent Income	Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.03	0.03
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	0.02	0.88
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.59	-
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.35	0.55
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	0.84	1.87
4	Interest Income				
4.1	Interest Income on loans	Chhattisgarh East-West Railway Limited	Joint Venture Companies	3.61	4.87
4.2	Interest Income on Advances	Ministry of Railways	Government Related Entities	114.12	125.81
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.26	-
		Rail Land Development Authority	Government Related Entities	220.97	278.36
4.3	Interest Income on Bonds	Indian Railway Finance Corporation	Government Related Entities	22.10	22.07
5	Dividend				
5.1	Dividend distribution	Ministry of Railways	Government Related Entities	203.61	176.64
5.2	Dividend Income Passed on	Ministry of Railways	Government Related Entities	2.15	5.04
6	Interest Expense				
6.1	Interest Expense on Loan	Indian Railway Finance Corporation	Government Related Entities	220.35	278.36
7	Investment in Equity Shares	Chhattisgarh East Railway Limited	Joint Venture Companies	-	39.00
		Baster Railway Private Limited	Joint Venture Companies	-	75.16
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	14.20	5.80
8	Interest Free Loan (Deemed Equity)	Jharkhand Central Railway Limited	Joint Venture Companies	50.00	-
9	Recovery of Advances	Rail Land Development Authority	Government Related Entities	615.30	615.30
10	Repayment of Loans	Indian Railway Finance Corporation	Government Related Entities	615.30	615.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	As at 31 st March 2020	As at 31 st March 2019
11	Advances Received	Chhattisgarh East Railway Limited	Joint Venture Companies	3.67	22.36
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	9.17	11.30
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.98	5.82
		Jharkhand Central Railway Limited	Joint Venture Companies	-	1.19
		Baster Railway Private Limited	Joint Venture Companies	0.26	-
		Ministry of Railways	Government Related Entities	1,538.70	1,433.97
12	Repayment of Advances	Ministry of Railways	Government Related Entities	1,523.58	1,715.73
13	Post Employment Benefit Plans				
13.1	Contribution made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	4.01	13.45
		Ircon Employees Contributory PF Trust	Post Employment Benefit Plans	43.39	28.27
		Ircon Medical Trust	Post Employment Benefit Plans	10.45	8.32
		Ircon Defind Contribution Superannuation Pension Scheme, 2009 Trust	Post Employment Benefit Plans	8.97	10.91
13.2	Reimbursements made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	5.79	7.25

Note:

- (i) Refer Note 38 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

c) Outstanding balances with the related parties are as follows:

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	As at 31 st March 2020	As at 31 st March 2019
1	Equity Investments	Ircon-Soma Tollway Private Limited	Joint Venture Companies	64.15	64.15
		Chhattisgarh East Railway Limited	Joint Venture Companies	122.58	122.58
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	131.17	131.17
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.01	0.01
		Jharkhand Central Railway Limited	Joint Venture Companies	63.00	13.00
		Baster Railway Private Limited	Joint Venture Companies	76.34	76.34
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	40.00	25.80
2	Investment in Bonds	Indian Railway Finance Corporation	Government Related Entities	221.47	221.42
3	Amount Recoverable towards loans granted	Chhattisgarh East-West Railway Limited	Joint Venture Companies	39.00	39.00
		Sh. M.K. Singh	Key Management Personnel	0.00	0.01
4	Amount recoverable other than loans				
4.1	Trade Receivables	Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.06	7.63
		Chhattisgarh East Railway Limited	Joint Venture Companies	34.4	56.16
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	8.23	6.61
		Baster Railway Private Limited	Joint Venture Companies	16.64	16.8
		Express Freight Railway Consortium	Joint Operations	1.42	0
		Express Freight Consortium	Joint Operations	134.72	7.89
		Ministry of Railways	Government Related Entities	19.29	0
4.2	Contract Assets				
(a)	Billable Revenue/ Receivable not due and CWIP at Realisable Value	Chhattisgarh East Railway Limited	Joint Venture Companies	26.68	54.60
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	21.41	31.17
		Baster Railway Private Limited	Joint Venture Companies	21.19	-
		Express Freight Consortium	Joint Operations	91.43	-
		Ministry of Railways	Government Related Entities	25.95	9.58
(b)	Retention Money and Money Withheld	Mahanadi Coal Rail Limited	Joint Venture Companies	2.28	-
		Express Freight Consortium	Joint Operations	32.04	-
		Ministry of Railways	Government Related Entities	0.81	0.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

S. No.	Particulars	Name of related party	Nature of relationship	As at 31 st March 2020	As at 31 st March 2019
4.3	Advance and Claims Recoverable	Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.02	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.60	0.24
		Mahanadi Coal Rail Limited	Joint Venture Companies	1.40	1.04
		Jharkhand Central Railway Limited	Joint Venture Companies	-	0.04
		Baster Railway Private Limited	Joint Venture Companies	0.56	-
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	0.99	0.96
		IRCON-AFCONS	Joint Operations	29.43	-
		International Metro Civil Contractor	Joint Operations	3.66	3.62
		Metro Tunnelling Group	Joint Operations	4.37	4.20
		Rail Land Development Authority	Government Related Entities	2,485.87	3,106.98
4.4	Interest Accrued on loans	Chhattisgarh East-West Railway Limited	Joint Venture Companies	8.15	4.4
4.5	Interest Accrued on advances	Rail Land Development Authority	Government Related Entities	212.85	274.42
4.6	Interest Accrued on bonds	Indian Railway Finance Corporation	Government Related Entities	17.86	17.83
4.7	Recoverables from Trusts	Ircon Gratuity Trust	Post Employment Benefit Plans	5.8	2.92
5	Borrowings	Indian Railway Finance Corporation	Government Related Entities	2461.23	3076.53
6	Amount Payable towards				
6.1	Trade Payables	Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.09
		Ministry of Railways	Government Related Entities	0.10	-
6.2	Contract Liabilities (Advances and Advance Contract Receipts)	Ministry of Railways	Government Related Entities	1303.94	1780.7
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	44.55	45.00
		Chhattisgarh East Railway Limited	Joint Venture Companies	57.11	70.84
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	30.35	32.05
		Mahanadi Coal Rail Limited	Joint Venture Companies	0.98	5.82
		Jharkhand Central Railway Limited	Joint Venture Companies	-	1.19
		Baster Railway Private Limited	Joint Venture Companies	0.26	-
		Express Freight Consortium	Joint Operations	148.61	-
6.3	Other Payable to Client	Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.09
		Ministry of Railways	Government Related Entities	651.36	458.74
6.4	Interest Payable on Borrowings	Indian Railway Finance Corporation	Government Related Entities	210.0	272.77
6.4	Interest Payable on Advances	Mahanadi Coal Rail Limited	Joint Venture Companies	0.26	-
		Ministry of Railways	Government Related Entities	204.81	-
6.5	Payable to Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	3.32	4.01

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.

37. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(i) Basic and diluted earnings per share (in ₹)

Particulars	Foot Note	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Profit attributable to Equity holders (₹ in crore)	(ii)	485.31	450.07
Weighted average number of equity shares for Basic and Diluted EPS	(iii)	940,51,574	940,51,574
Earnings per share (Basic)		51.60	47.85
Earnings per share (Diluted)		51.60	47.85
Face value per share		10.00	10.00

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

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Profit for the year as per Statement of Profit and Loss	485.31	450.07
Profit attributable to Equity holders of the company used for computing EPS	485.31	450.07

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

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Opening balance of issued equity shares	940,51,574	940,51,574
Equity shares issued during the year	-	-
Weighted average number of equity shares for computing Basic EPS	940,51,574	940,51,574
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	940,51,574	940,51,574

38. Impairment of Assets

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

39. 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' is as under:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

S. No.	Particulars	Foot Note	As at 31 st March 2019	Addition during the year	Claims settled during the year			As at 31 st March 2020
					Out of the opening balance	Out of addition during the year	Total Claims Settled during the year	
a)	Claims against the Company not acknowledged as debts :							
	Disputed Direct tax demands							
	(i) in respect of the Company	1	237.25	115.42	(49.20)	-	(49.20)	303.47
	(ii) in respect of the Joint Operations	2	0.24	-	-	-	-	0.24
	Disputed Indirect tax demands							
	(i) in respect of the Company	3	357.81	52.41	(13.28)	-	(13.28)	396.94
	(ii) in respect of the Joint Operations	4	4.25	-	-	-	-	4.25
	Legal Cases							
	(i) in respect of the Company	5	493.73	136.57	(119.98)	-	(119.98)	510.32
	(ii) in respect of the Joint Operations	6	0.02	-	-	-	-	0.02
	Claims by Employees	7	2.43	-	-	-	-	2.43
b)	Guarantees (excluding financial guarantees) issued by the Group on behalf of							
	Subsidiary Companies	8	4.02	5.98	-	-	-	10.00
	Joint Operations	9	1.40	-	-	-	-	1.40
c)	Other money for which Group is contingent liable							
	Liquidated damages pending disposal of application for extension of time by clients		9.27	-	-	-	-	9.27
	Total		1,110.42	310.38	(182.46)	-	(182.46)	1,238.34

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 Group but are disputed before higher authorities by the concerned departments. The Group 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.
- In case of International Metro Tunnelling, a Joint Operation of the Group, income tax authorities during the assessment of FY 2010-11, 2012-13 & 2013-14 has raised demand amounting to ₹ 0.24 crore (₹ 0.24 crore) on account of Income related to Excise Duty for the FY 2008-09 & 2011-12 declared in later years. The joint operation had filed appeals before the appropriate appellate authorities against these demands for said financial years. The Group is jointly liable for the said demands upto the share of interest in Joint operation. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- There are various disputes pending with authorities of excise, customs, service tax, sales tax, VAT etc. The Group 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 ₹ 293.45 crore (₹ 110.44 crore) which has been reimbursed by the client and ₹ 202.34 crore (₹ 167.82 crore) are reimbursable from clients.
- In case of International Metro Civil Contractor, a Joint Operation of the Group, there is disputed demand pending with the sales tax authorities amounting to ₹ 4.25 crore (₹ 4.25 crore) on account of disallowance of labour expenses. The joint operation had filed appeals before the appropriate appellate authorities against the demand. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- 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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

in terms of provisions of the respected contracts. Against a total claim of ₹ 613.84 crore (₹ 579.51 crore), provision of ₹ 103.52 crore (₹ 85.79 crore) has been made and balance ₹ 510.32 crore (₹ 493.73 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 ₹ 137.11 crore (₹ 185.79 crore). Interest on claims is not considered, being unascertainable.

6. 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.
7. There are some cases relating to employees/others are pending in the Courts against the Group in respect of which the liability is not ascertainable. However, some cases of ₹ 2.43 crore (₹ 2.43 crore) which are relating to Ircon Infrastructure and Services Limited, one of the subsidiary company, relating to employees
8. The Holding company has given bank guarantee on behalf of its subsidiary company, Ircon Infrastructure and Services Limited for an amount of ₹ 10 crore (₹ 4.02 crore) for performance guarantee to clients.
9. The Holding Company has given bank guarantee on behalf of its joint operation, Ircon-RCS-PFLEIDERER for an amount of ₹ 1.40 crore (₹ 1.40 crore) for execution of Design and construction broad gauge ballastless track in Udampur-Katra section..

(iii) Contingent Assets

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

- a) 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 ₹ 419.46 crore (₹ 398.57 crore) including interest calculated up to 31.03.2020 as per arbitration award.
- b) 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 ₹ 22.81 crore (₹ 19.96 crore).
- c) Insurance Claim of USD 0.87 Mn (USD 0.86 Mn) and Ethiopian Bir 1.10 Mn (1.05 Mn) equivalent to ₹ 6.80 crore (₹ 6.14 crore) including interest calculated upto 31.03.2020 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 31 st March 2020	As at 31 st March 2019
a)	Capital Commitments			
	Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	576.51	1,137.13
b)	Other Commitments			
	(i) Funding committed by way of equity and loans in Joint Venture Companies	2	61.70	111.70
	(ii) Counter Bank Guarantee for Subsidiary Companies	3	158.75	145.27
	(iii) Other Commitments of Ircon Vadodara Kim Expressway Limited	4	798.67	1377.73
	(iv) Other Commitments of Ircon Shivpuri Guna Tollway Limited	5	526.60	547.80
	Total		2,122.23	3,319.63

Foot Note:

(₹ in crore)

1.	S.No	Capital Commitments	As at 31 st March 2020	As at 31 st March 2019
	1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipment	2.01	47.59
	2	Estimated amount of contracts remaining to be executed on Investment Property	24.74	8.56
	3	Estimated amount of contracts remaining to be executed on Intangible Assets under development	131.26	326.67
	4	Estimated amount of contracts remaining to be executed on Financial Assets under construction	418.50	754.31
		Total	576.51	1,137.13

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For the year ended 31st March 2020

(₹ in crore)

S. No.	Name of the Joint Venture	As at 31 st March 2020		As at 31 st March 2019	
		Equity	Loans	Equity	Loans
1	Chhattisgarh East Railway Limited	36.28	-	36.28	-
2	Chhattisgarh East-West Railway Limited	0.13	-	0.13	-
3	Mahanadi Coal Rail Limited	1.29	-	1.29	-
4	Baster Railway Private Limited	0.01	-	0.01	-
5	Jharkhand Central Railway Limited	-	-	-	50.00
6	Indian Railway Station Development Corporation Limited	24.00	-	24.00	-
	Total	61.70	-	61.70	50.00

- Counter guarantee to Indian Overseas Bank, State Bank of India & ICICI Bank for issuance of bank guarantee to subsidiary companies amounting to ₹ 500 crore (₹ 500 crore). Out of the total limit of ₹ 500 crore, Indian Overseas Bank & ICICI Bank have issued bank guarantees to the extent of ₹ 341.25 crore (₹ 354.73 crore). Therefore, the balance limit for issuance of bank guarantees is ₹ 158.75 crore (₹ 145.27 crore).
- In case of Ircon Vadodara Kim Expressway Limited, estimated amount of contracts remaining to be accounted for, on other commitments is ₹ 798.67 crore (1377.73 crore).
- In case of Ircon Shivpuri Guna Tollway Limited, as per concession agreement with NHAI, the group is liable to pay a concession fees equal to ₹ 526.60 crore (₹ 547.80 Crore) till end of concessionare period of the toll road.

40. 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 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 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Segment Revenue						
Revenue from external customers	450.01	592.78	4,941.50	4,205.65	5,391.51	4,798.43
Interest income	5.34	5.61	95.99	136.15	101.33	141.76
Other Income	27.93	13.51	18.91	35.91	46.84	49.42
Inter - segment	-	-	-	-	-	-
Total Revenue	483.28	611.90	5,056.40	4,377.71	5,539.68	4,989.61
Segment Result						
Profit before provision, depreciation, interest and exceptional item and tax	204.26	36.50	579.97	761.92	784.23	798.42
Less: Provisions and write back	(7.02)	7.48	(34.07)	(148.48)	(41.09)	(141.00)
Less: Depreciation, amortization and impairment	(3.81)	(4.16)	(79.13)	(47.45)	(82.94)	(51.61)
Less: Interest	-	-	(18.65)	(3.09)	(18.65)	(3.09)
Add: Share of net profits of Joint Ventures accounted for using equity method	-	-	30.44	21.54	30.44	21.54
Profit before tax	193.43	39.82	478.56	584.44	671.99	624.26
Less: Tax expense	(28.45)	(19.80)	(158.23)	(154.39)	(186.68)	(174.19)
Profit after tax	164.98	20.02	320.33	430.05	485.31	450.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Total Assets	647.29	601.44	12,231.07	12,717.02	12,878.36	13,318.46
Total Liabilities	576.76	613.76	8,130.28	8,740.48	8707.04	9,354.24
Investment in joint ventures accounted for by equity method	-	-	512.06	417.43	512.06	417.43
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	29.47	32.33	2,111.49	2,068.95	2,140.96	2,101.28
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	0.77	211.90	1,805.61	212.13	1,806.38

D. Information about major customer

During the year ended March 31, 2020, Operating Revenue of approximately 55.51 % (51.38%) derived from a single external customer in Domestic Segment

41. 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 Subsidiary Companies

S. No.	Name of Subsidiary Company	Principal Place of Business and Country of Incorporation	As at 31 st March 2020		As at 31 st March 2019	
			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

(b) Investment in Joint Operations

Investment in following joint operations is accounted at cost.

S. No.	Name of the Joint Company	Principal Place of Business and Country of Incorporation	As at 31 st March 2020		As at 31 st March 2019	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
i)	For projects in operation:					
	IRCON-AFCONS	Bangladesh	53.00	53.00	53.00	53.00
	Express Freight Consortium	Gujrat 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)	Completed Joint Operations					
	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
iii)	Financially Closed Joint Operations					
	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(c) Investment in Joint Venture Companies

S. No.	Name of the Joint Venture Company	Principal Place of Business and Country of Incorporation	As at 31 st March 2020		As at 31 st March 2019		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	25.91	26.00	27.79	26.00	Equity Method
3	Chhattisgarh East-West Railway Limited	Chhattisgarh, India	26.02	26.00	26.02	26.00	Equity Method
4	Mahanadi Coal Rail Limited	Odisha, India	26.00	26.00	26.00	26.00	Equity Method
5	Jharkhand Central Railway Limited	Jharkhand, India	23.59	26.00	26.00	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	New Delhi, India	50.00	50.00	50.00	50.00	Equity Method

(d) 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		International Metro Civil Contractor		Metro Tunnelling Group		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	As at Year End:								
1	Assets								
	PPE	-	-	-	-	-	-	-	-
	Capital Work in Progress	-	-	-	-	-	-	-	-
	Other Assets	29.43	29.47	4.61	4.65	4.81	4.64	38.85	38.76
2	Liabilities								
	Provisions	0.18	0.18	0.04	0.08	0.37	0.34	0.59	0.60
	Other Liabilities	-	-	0.91	0.95	0.07	0.10	0.98	1.05
	For the year end:								
3	Total Income	-	5.35	0.09	0.91	0.31	0.30	0.39	6.56
4	Total Expenses	0.04	3.17	0.00	0.05	0.01	0.02	0.05	3.24
5	Total Taxes	-	-	0.04	0.08	0.13	0.11	0.17	0.19
6	Profit after tax	(0.04)	2.18	0.05	0.78	0.17	0.17	0.18	3.13
7	Other Comprehensive Income	-	-	-	-	-	-	-	-
8	Total Comprehensive Income	-	-	-	-	-	-	-	-

Foot Note: Contingent Liabilities relating to Joint Operations are disclosed in Note 39.

(e) 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 Stations Development Corporation Ltd	
		As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
1	Non-Current Assets	250.83	250.87	2109.48	1573.54	662.55	623.58	92.72	42.10
2	Current Assets	60.50	59.20	261.08	159.32	33.17	22.09	128.72	51.67
	Total Assets (A)	311.33	310.06	2,370.56	1,732.86	695.72	645.67	221.44	93.77
3	Non-Current Liabilities	-	-	1,771.37	1,249.28	168.56	112.46	15.94	0.10
4	Current Liabilities	17.27	17.20	59.92	43.29	23.80	29.73	46.27	16.39
	Total Liabilities (B)	17.27	17.20	1,831.29	1,292.57	192.36	142.20	62.21	16.48
5	Net Assets (A-B)	294.06	292.87	539.27	440.29	503.36	503.47	159.23	77.29
	a) Includes Cash & Cash Equivalents	53.68	54.08	144.11	50.71	17.13	9.35	25.33	1.17
	b) Includes Financial Liabilities (including Trade payables and other payables but excluding provisions)	17.27	17.20	59.33	42.19	22.68	28.25	41.16	12.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

(₹ in crore)

S. No.	Particulars	Ircon - Soma Tollway Private Limited		Jharkhand Central Rail Limited		Mahanadi Coal Rail Limited	
		As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
1	Non-Current Assets	349.32	406.91	177.25	165.04	71.23	44.01
2	Current Assets	360.26	207.30	66.28	27.10	0.56	0.12
	Total Assets (A)	709.57	614.20	243.54	192.14	71.78	44.13
3	Non-Current Liabilities	357.95	505.86	136.59	136.59	-	-
4	Current Liabilities	198.59	21.90	50.01	0.04	72.59	44.11
	Total Liabilities (B)	556.54	527.76	186.60	136.63	72.59	44.11
5	Net Assets (A-B)	153.03	86.44	56.94	55.51	(0.81)	0.02
	a) Includes Cash & Cash Equivalents	6.81	2.31	66.06	26.89	0.52	0.11
	b) Includes Financial Liabilities (including Trade payables and other payables but excluding provisions)	97.53	20.46	-	-	72.52	44.05

(f) Summarised Statement of Profit and Loss of Joint Venture Companies:

(₹ in crore)

S. No.	Particulars	Bastar Railways Private Limited		Chattisgarh East Railway Limited		Chattisgarh East West Railway Limited		Indian Railway Stations Development Corporation Ltd	
		2019 - 20	2018 - 19	2019 - 20	2018 - 19	2019 - 20	2018 - 19	2019 - 20	2018 - 19
1	Revenue	-	-	13.95	-	-	-	45.53	23.15
2	Interest Income	2.99	2.64	-	-	0.06	-	3.51	2.46
3	Other Income	-	-	-	0.01	-	0.01	0.50	0.52
	Total Income	2.99	2.64	13.95	0.01	0.06	0.01	49.54	26.12
4	Expenses on Operations	1.54	0.88	4.97	0.15	0.17	0.13	44.18	12.30
5	Depreciation and amortisation	-	-	0.19	-	-	-	0.69	0.01
6	Interest expense	-	-	19.95	-	-	-	0.18	-
	Total Expenses	1.54	0.88	25.11	0.15	0.17	0.13	45.05	12.32
7	Income tax	0.35	-	11.33	-	-	-	1.22	3.75
8	Profit for the year	1.19	1.77	(22.48)	(0.15)	(0.11)	(0.12)	4.78	10.06
9	Other comprehensive income	-	-	-	-	-	-	0.01	-
10	Total comprehensive income	1.19	1.77	(22.48)	(0.15)	(0.11)	(0.12)	4.79	10.06

(₹ in crore)

S. No.	Particulars	Ircon - Soma Tollway Private Limited		Jharkhand Central Rail Limited		Mahanadi Coal Rail Limited	
		2019 - 20	2018 - 19	2019 - 20	2018 - 19	2019 - 20	2018 - 19
1	Revenue	198.31	196.88	-	-	-	-
2	Interest Income	11.60	6.54	1.92	1.79	0.02	0.01
3	Other Income	2.29	0.23	-	-	-	-
	Total Income	212.19	203.65	1.92	1.79	0.02	0.01
4	Expenses on Operations	30.50	48.65	0.06	0.01	0.85	0.02
5	Depreciation and amortisation	58.54	58.28	0.01	-	-	-
6	Interest expense	43.83	47.74	0.09	0.01	-	-
	Total Expenses	132.87	154.67	0.16	0.02	0.85	0.02
7	Income tax	12.72	17.30	0.43	0.59	-	-
8	Profit for the year	66.60	31.68	1.33	1.17	(0.83)	(0.01)
9	Other comprehensive income	-	(0.02)	-	-	-	-
10	Total comprehensive income	66.60	31.65	1.33	1.17	(0.83)	(0.01)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(g) Reconciliation of carrying amounts of Joint Venture Companies

(₹ in crore)

Particulars	Bastar Railways Private Limited		Chattisgarh East Railway Limited		Chattisgarh East West Railway Limited		Indian Railway Stations Development Corporation Ltd	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Opening net assets	292.87	1.10	440.28	305.43	503.48	503.60	77.29	42.78
Profit for the year	1.19	1.77	(22.48)	(0.15)	(0.11)	(0.12)	4.80	10.06
Increase in paid up share capital	-	290.00	32.00	135.00	-	-	14.20	11.60
Other Comprehensive Income	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Equity component of other financial instruments	-	-	-	-	-	-	0.34	-
Other Adjustment (Application Money Pending Allotment)/	-	-	-	-	-	-	60.00	14.20
Share issue Expenses	-	-	-	-	-	-	(0.03)	(1.35)
Closing net assets	294.06	292.87	449.80	440.28	503.37	503.48	156.60	77.29
Group's share in %								
(i) In Paid up Share Capital and Profit	26.00%	26.00%	25.91%	27.79%	26.02%	26.02%	50.00%	50.00%
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-	-	-
Group's share								
(i) In Paid up Share Capital and Profit	76.45	76.15	116.53	122.37	130.98	131.01	78.30	38.65
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-	-	(7.10)
Other Adjustments	-	-	-	-	-	-	(30.17)	-
Carrying amount	76.45	76.15	116.53	122.37	130.98	131.01	48.13	31.55

(₹ in crore)

Particulars	Ircon - Soma Tollway Private Limited		Jharkhand Central Rail Limited		Mahanadi Coal Rail Limited	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Opening net assets	86.44	54.79	55.50	49.33	0.02	0.03
Profit for the year	66.60	31.68	1.33	1.17	(0.83)	(0.01)
Increase in paid up share capital	-	-	-	-	-	-
Other Comprehensive Income	-	(0.02)	-	-	-	-
Dividends paid	-	-	-	-	-	-
Equity component of other financial instruments	-	-	-	-	-	-
Other Adjustment (Application Money Pending Allotment)	-	-	-	5.00	-	-
Closing net assets	153.04	86.44	56.84	55.50	(0.81)	0.02
Group's share in %						
(i) In Paid up Share Capital and Profit	50.00%	50.00%	23.59%	26.00%	26.00%	26.00%
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-
Group's share						
(i) In Paid up Share Capital and Profit	76.52	43.22	13.45	13.13	(0.21)	0.01
Equity component of other financial instruments	-	-	50.00	-	-	-
Other Adjustments	-	-	-	-	0.21	-
Carrying amount	76.52	43.22	63.45	13.13	-	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

42. 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, 2020						
	Revenue as per Ind As 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways	3,699.51	420.76	4,120.27	4,120.27	-	6.62	4,126.89
Highway	1,009.22	6.66	1,015.88	1,015.88	-	5.45	1,021.33
Electrical	17.69	7.37	25.06	25.06	-	-	25.06
Building	104.39	-	104.39	104.39	-	-	104.39
Others	76.16	-	76.16	76.16	-	37.68	113.84
Total	4,906.97	434.79	5,341.76	5,341.76	-	49.75	5,391.51

Out of the total revenue recognised under Ind AS 115 during the year, ₹ 5,341.76 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 March 31, 2019						
	Revenue as per Ind As 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways	3,169.68	568.74	3,738.42	3,711.60	26.82	2.59	3,741.01
Highway	868.64	-	868.64	868.64	-	0.10	868.74
Electrical	97.35	-	97.35	97.35	-	-	97.35
Building	44.81	6.72	51.53	51.53	-	-	51.53
Others	3.77	0.51	4.28	4.28	-	35.53	39.81
Total	4,184.25	575.97	4,760.22	4,733.40	26.82	38.22	4,798.44

Out of the total revenue recognised under Ind AS 115 during the year, ₹ 4,733.40 crore is recognised over a period of time and ₹ 26.82 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 31 st March 2020	As at 31 st March 2019
Trade Receivables (Note 12.2)	551.59	666.04
Contract Assets (Note 8.3 and 12.6)	1,450.07	720.40
Contract Liabilities (Note 20 and 22)	2,352.87	2,859.68

- 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 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days.
- 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Movement in contract balances during the year

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Contract asset at the Beginning of the year	720.40	522.87
Contract asset at the end of the year	1,450.07	720.40
Net increase/decrease	729.67	197.53

For the year 2019-20, there has been net increase by ₹ 729.67 crore as compared to last year is mainly due to realisation of contract assets on certification of works based on contract condition.

For the year 2018-19, there has been net increase by Rs 197.53 crore as compared to last year is due to recognition of revenue based on input method whereas bills for work done are certified based on contract condition.

- (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 31 st March 2020	As at 31 st March 2019
Contract liabilities at the beginning of the year	2,859.68	3,194.64
Contract liabilities at the end of the year	2,352.87	2,859.68
Net increase/decrease	(506.81)	(334.96)

For the year 2019-20 and 2018-19 - There has been net reduction of ₹ 506.81 crore and ₹ 334.96 crore as compared to last year are mainly due to adjustment of advance payment received from client against works executed during the year.

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

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amount included in contract liabilities at the beginning of the year	1,746.54	2,067.51
Performance obligation satisfied in previous years	-	-

E. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2020 is ₹ Nil (As at 31st March, 2019: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (FY 2018-19: ₹ 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:

(₹ in crore)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Within one year	5,246.80	7,167.34
More than one year to 2 years	6,540.67	6,900.59
More than 2 years	21,213.00	19,463.52
Total	33,000.47	33,531.45

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:

- 336 a) The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- b) The Grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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 ₹ 751.17 Crore (₹ 135.27 Crore) under service concession agreement upto the period ended 31st March 2020 after taking into account the receivables due from NHAI on completion of milestone as per terms of the contract. The company has recognised revenue of ₹ 1,012.11 crore (₹ 313.71 crore) for the period upto 31st March 2020 on construction of Road under SCA as per Ind AS - 115 related to "Revenue from Customers". The company 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 2020.

Group has recognized revenue of ₹ 25.20 crore (₹ 383.83 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 ₹ 139.37 crore (₹ 77.62) crore from operation of toll roads.

43. 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 7.

Lease Liabilities

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

(₹ in crore)	
Particulars	As at 31 st March, 2019
Balance at April 1, 2019	-
Addition	0.21
Accreditation of interest	-
Payments	(0.04)
Balance at March 31, 2020	0.17
Current	0.03
Non-current	0.14

Amounts recognised in Statement of Profit and Loss

(₹ in crore)	
Particulars	For the year ended 31 st March 2020
Depreciation expense of right-of-use assets (Refer Note 29)	0.33
Interest expense on lease liabilities (Refer Note 28)	-
Expense relating to short-term leases (Refer Note 26 (iii))	7.02
Total	7.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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:

(₹ in crore)

Particulars	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
Total	-	-	-

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.

- Lease in respect of sub-leasing of MFCs - ₹ 16.65 crore (₹ 17.79 crore) (included in MFC lesae note). The one time down payment received/receivable from sub-lessee are recognised as income in the statements of profit & loss on straight line basis over the lease term on pro rata basis.
- The Group has given buildings under operating lease. Lease income (rental and service charges) aggregating ₹ 7.58 crore (₹ 8.20 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.
- The Group has given Machinery under operating lease. Lease income aggregating ₹ 16.66 crore (₹ 11.41 crore) has been recognized in the Statement of Profit and Loss as per lease arrangement.
- 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 ₹ 0.16 crore (₹ 0.10 crore) was received from HPCL and ₹ 0.12 crore (₹ NIL) from Synergy as Lease payments.

Future minimum rentals receivable under non-cancellable operating leases is as follows:

(₹ in crore)

	As at March 31, 2020	As at March 31, 2019
Within one year		
Demacrated Area	0.33	-
Multi Functional Complexes	17.93	16.16
Buildings	0.41	-
After one year but not more than five years		
Demacrated Area	1.38	-
Multi Functional Complexes	76.64	94.57
Buildings	2.29	-
More than five years		
Demacrated Area	2.83	-
Multi Functional Complexes	615.09	636.15
Buildings	-	-

Note : A Letter of award has been issued to the selected concessionaire for retail mall at Sector-43, Noida. However, certain obligations on the part of the concessionaire including entering into Concession Agreement is yet to be completed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

44. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

(₹ in crore)

S.No.	Particulars	As at 31 st March 2020	As at 31 st March 2019
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	-	-
	Principal amount due to micro and small enterprises	8.08	18.95
	Interest due on above	-	-
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

45. 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 Group is required to spend, in every financial year, at least two per cent of the average net profits of the Group made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

a) Amount required to be spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Gross amount required to be spent by the Group during the year	10.08	9.05

b) Amount spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2020			For the year ended 31 st March 2019		
	Paid in Cash	Yet to be Paid	Total	Paid in Cash	Yet to be Paid	Total
On Construction/acquisition of asset*	2.34	-	2.34	1.23	-	1.23
On purposes other than above	7.84	-	7.84	7.72	-	7.72
Total	10.18	-	10.18	8.95	-	8.95

*Assets purchased and handed over to respective organisation and are not being held by the Group.

c) Balance amount to be spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Gross amount required to be spent by the Group during the year (as per (a) above)	10.08	9.05
Amount spent by the Group during the year (as per (b) above)	10.18	8.95
Balance amount to be incurred by the Group	-	0.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

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

(₹ in crore)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Contribution to Prime Minister CARES Fund for fighting against COVID-19	4.50	-
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	1.76	3.51
Promoting Education, including special education and employment enhancing vocation skills especially among children.	3.08	2.44
Ensuring environmental sustainability	0.33	2.39
Sports		0.19
Others (including Other Admin Cost)	0.51	0.42
Total	10.18	8.95

46. Covid -19 Disclosure

The World Health Organisation (WHO) declared outbreak of novel Coronavirus (COVID -19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared nationwide lockdown on March 24, 2020 and ordered temporarily closure of non-essential businesses, imposed restrictions on the movement of goods and services, travel etc.

As the nature of business performed by the Group, falls under the non-essential category, the Group temporarily suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. These nationwide lockdown restrictions had impacted the normal operations of the Group by way of interruption of project execution, supply chain disruption and unavailability of personnel during the lockdown period since 22nd March'2020.

The Central and State Government have initiated the steps to lift the lockdown and the Group is adhering to the same as it has resumed its activities based on the resources available. The Group has been able to resume operations at various project sites from the beginning of May in a gradual manner. The Group has taken necessary precautions to ensure the health, safety and wellness of all employees and also put in place the SOPs and all the guidelines as per the Central and State Governments to prevent the spread of COVID-19. The Group expects construction to reach optimum levels once situation normalises post lifting of lockdown as migrant labourers resume work gradually. Meanwhile, the Group is exploring increased use of technology to fasten the pace of construction going forward."

Financial performance

The Group believes that for the year 2019-20, there has been no significant impact of Covid19 pandemic on the financial performance of the Group in terms of revenue and profitability of the Group.

Liquidity

The Group has access to sufficient liquidity for its operation. The short-term investments of the Group are in such instruments which can be encashed on need basis. Further, the Group has strong order book which provides sufficient cash flow visibility.

The Group expects to recover the carrying amount of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, inventory, advances, trade receivables, deferred taxes, other financial and non-financial assets etc. in the ordinary course of business based on information available on current economic conditions.

Steps taken for smooth functioning

During the lockdown period, the Group has taken various steps towards rethinking the new normal for the business post COVID-19 lockdown. The working at non-critical locations of the Group was streamlined with work from home norms and roster for the employees as per the guidelines issued by the government authorities was finalised. Further, the Group has put in place stringent monitoring processes for COVID-19 ensuring the following:

- » Thermal Screening of all employees and visitors
- » Sanitizing the premises and vehicles on regular basis
- » Maintenance of social distancing at all work places
- » Enforcing wearing of masks and regular cleaning of hands
- » Regular health updates of all the employees and their families
- » Conducting awareness programs regularly for all its employees

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

Estimation of the future impact of CoVID-19

With the commencement of works at project, the Group is constantly reviewing its operation and is making every possible effort to make up for the lost time due to the pandemic. Though the management expects to have reduction in Revenue and Profitability in the FY 2020-21, the impact of the lockdown disruption will have to be assessed from time to time and communicated as we progress during the current financial year. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities. It is therefore premature to forecast the future impact with credibility at this stage.

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

47. Other disclosures

- a) The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, rate of income tax has been changed from 34.944% to 25.168%. The re-measurement of accumulated deferred tax asset as per new tax rate has resulted one time additional charge of ₹ 40.46 crores

Upto AY 2019-20 Company was making provision for income Tax without considering deduction under section 80-IA. For the period commencing from AY 2000-01 to 2019-20, deduction u/s 80-IA was allowed to company by CIT (A) for eight different years (AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17) and for AY 2000-01, 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 it was allowed by ITAT. Out of these years company is still carrying provision for deduction u/s 80-IA for the AY 2007-08, 2012-13 and 2013-14 having conservative approach, considering appeals filed by department against company for these years. However, AY 2014-15 onwards, after allowance of deduction u/s 80-IA by CIT (A) company writes back provision made against deduction u/s 80-IA.

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 which are pending for disposal before ITAT.

- b) There are certain other matters pending in litigations against the Holding Group before various courts and appellate authorities on account of claims by some contractors in cost plus projects. In such cases, the Holding 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 ₹ 2,190.76 crore (₹ 2,034.49 crore) is under litigation, for which provision of ₹ 5.58 crore (₹ 23.43 crore) has been made. The Holding Group has also made counter claims on the contractors of ₹ 1,128.25 crore (₹ 1,475.16 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) During the year Ircon Infrastructure & services Limited has opted for Vivad se Vishwas Scheme announced in Finance budget 2020. According to scheme, assessee has been given one time opportunity to settle tax dispute pending before CIT(Appeal), ITAT, Tribunal high Court. As on 31.3.2020, as against demand of ₹ 19.32 crore (except interest and penalty) pertaining to AY 2014-15, 2015-16, 2017-18 scheme has been opted and a net amount of ₹ 4.35 crore has been deposited under the scheme (after adjustment of amount already deposited of ₹ 4.05 crore against stay at the time of assessment and balance adjustment of available credits in the form of TDS, MAT & foreign tax credits). As on date, no Tax dispute pending against said Assessment year.
- e) 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.
- f) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March 2020

48. Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31-03-2020

(₹ 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 (₹)
Parent Company								
Ircon International Limited	71.54%	2,984.06	101.04%	490.37	100.00%	(2.96)	101.05%	487.41
Subsidiaries								
Ircon Shivpuri Guna Tollway Limited	2.11%	88.18	(6.35%)	(30.83)	-	-	(6.39%)	(30.83)
Ircon PB Tollway Limited	3.59%	149.62	(3.54%)	(17.18)	-	-	(3.56%)	(17.18)
Ircon Davanagere Haveri Highway Limited	4.02%	167.60	0.16%	0.77	-	-	0.16%	0.77
Ircon Infrastructure & Services Limited	3.21%	133.74	2.37%	11.50	-	-	2.38%	11.50
Ircon Vadodara Kim Express way Limited	3.26%	136.06	0.05%	0.24	-	-	0.05%	0.24
Total Subsidiaries		675.20		(35.50)		-		(35.50)
Non- Controlling interest in Subsidiaries	-	-	-	-	-	-	-	-
Net Amount of Subsidiaries		675.20		(35.50)		-		(35.50)
Joint Ventures								
Bastar Railways Private Limited	1.83%	76.45	0.06%	0.31	-	-	0.06%	0.31
Chattisgarh East Railway Limited	2.79%	116.53	(1.20%)	(5.83)	-	-	(1.21%)	(5.83)
Chattisgarh East West Railway Limited	3.14%	130.98	-	(0.02)	-	-	-	(0.02)
Ircon - Soma Tollway Private Limited	1.83%	76.52	6.86%	33.29	-	-	6.90%	33.29
Jharkhand Central Rail Limited	1.52%	63.45	0.06%	0.31	-	-	0.06%	0.31
Mahanadi Coal Rail Limited	-	-	-	-	-	-	-	-
Indian Railway Stations Development Corporation Limited	1.15%	48.13	0.49%	2.38	-	-	0.49%	2.38
Total Joint Ventures		512.06		30.44		-		30.44
Net Total	100%	4,171.32	100%	485.31	100%	(2.96)	100%	482.35

As per our Report of even date attached

For and on behalf of Board of Directors

For K G Somani & Co.
Chartered Accountants
FRN : 006591N

Sd/-
M. K. Singh
Director (Finance) & CFO
DIN - 06607392

Sd/-
S. K. Chaudhary
Chairman & Managing Director
DIN - 00515672

342 Sd/-
B. Maheshwari
Partner
M. No. 088155

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Place : New Delhi
Date : 10th July 2020

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 STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The Financial Statement (Standalone and Consolidated) of the Company are subject to comments of C&AG of India under section 143(6)(b) read with Section 129 (4) of the Companies Act, 2013 which shall be sent to shareholders separately.



IRCON Champions Trophy - A friendly cricket match played between CMD-11 and Directors-11



43rd Annual Day Celebrations – Award Distribution



IRCON in association with ALIMCO distributed aids and appliances to various divyangs at Muzaffarnagar, UP



43rd Annual General Meeting of IRCON



MoU Signing between IRCON and Ministry of Railways for the year 2019-20

Footprints of IRCON



इरकॉन

इरकॉन इंटरनेशनल लिमिटेड
IRCON INTERNATIONAL LIMITED

ircon

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