



Developing **National Infrastructure**
Continuing **International Existence**

इरकॉन

इरकॉन इंटरनेशनल लिमिटेड
IRCON INTERNATIONAL LIMITED

ircon

(A Government of India Undertaking)

ANNUAL REPORT
2021 - 22



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WHAT DRIVES US



VISION

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



MISSION

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



VALUES

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

CORPORATE INFORMATION

Registered Office

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

Company Secretary & Compliance Officer

Ms. Ritu Arora

Chief Financial Officer & Chief Investor Relations Officer

Shri Mugunthan Boju Gowda

Statutory Auditor

M/s. HDSG & Associates
Chartered Accountant

Cost Auditor

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

Secretarial Auditor

M/s. Kumar Naresh Sinha & Associates
Company Secretaries

Bankers

Indian Overseas Bank, YES Bank, HDFC Bank,
State Bank of India, Indusland Bank and ICICI Bank

Registrar & Share Transfer Agent

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

Shares listed at

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

Depositories

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

SCRIP Code

BSE: 541956
NSE: IRCON

ISIN No.

INE962Y01021

As on March 31, 2022

Order Book Value

+ INR 43700 Cr

Highest Ever Turnover FY22

INR 7181 Cr

PROJECTS COMPLETED

Domestic

398

Foreign (in 25 Countries)

128

EXECUTED WORK

Railway Track

5263 TKM

Railway Electrification

7979 RKM

Roads & Highways

6624 Kms

IRCON at a Glance

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

SERVICES



Engineering Procurement & Construction (EPC)



Project Management & Consultancy (PMC)



Public Private Partnership (PPP)



Real Estate



RANKING (2021)



OUR CERTIFICATIONS

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



CREDIT RATINGS:

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

INFORMATION TECHNOLOGY



Mobile Apps:
IRCON Tenders
IRCON CSR
IRCON Careers



SAP
Business Objects



E-procurement by
NIC's GePNIC

USA ENR
Construction Companies
Only PSU & one among five Indian companies

229th

Fortune India 500

254th

BS 1000

Revenue

190th

Construction & Infrastructure Sector

11th

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

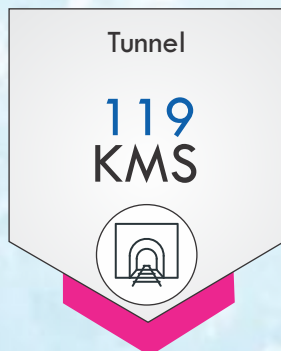
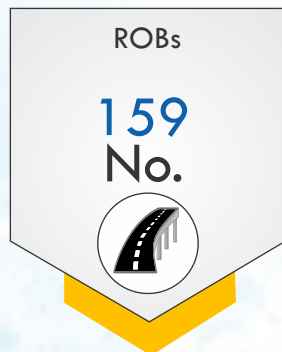
KEY AREAS OF OPERATION



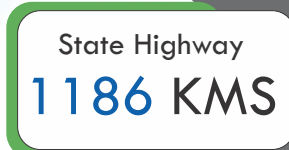
MAJOR EXECUTED WORK



RAILWAYS EXECUTED WORK



ROAD & HIGHWAYS



Buildings



1.5
Mn. Sqm.

IRCON AT A GLANCE

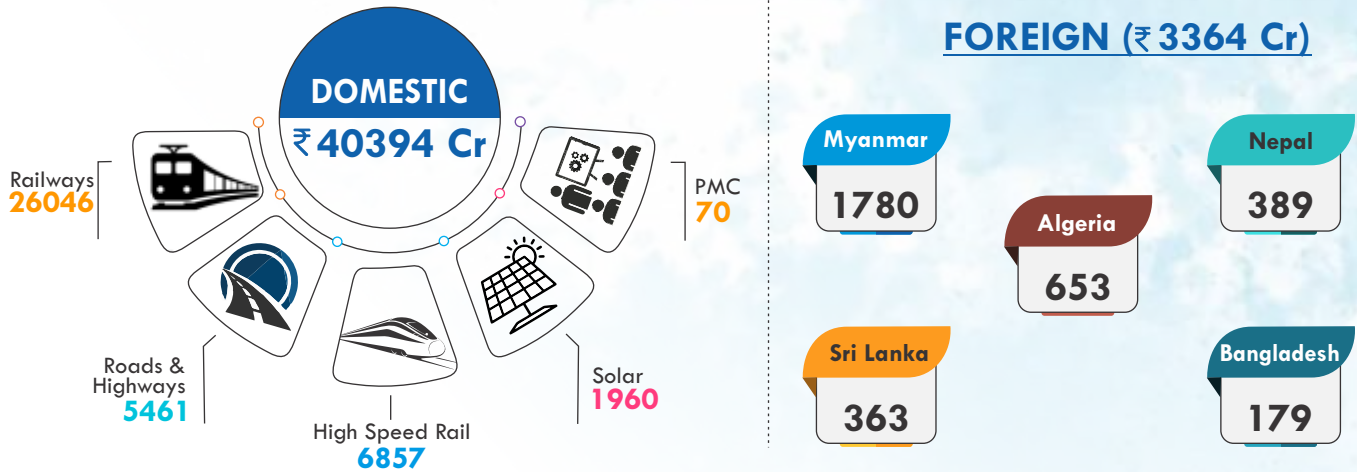


RELIABLE BUSINESS STRENGTH

As on March 31, 2022

(₹ in Crore)

PROJECTS POSITION - ORDER BOOK (₹43,758 Cr)



NEW PROJECTS

Awarded during FY22 (₹16181Cr)



Geographical Footprints





Chairman's Statement

Dear Shareholders,

I am delighted to share with you the 46th Annual Report of your Company for FY 2021-22, which has been yet another year of impressive performance. It is a matter of great pride that your Company has displayed a good overall performance despite the pandemic led adverse market scenario faced at the beginning of the year. On a standalone basis, your Company has clocked an all-time high total turnover of ₹7181 Crore (previous year ₹5200.31 Crore) registering an increase of 38.09%; also on a consolidated basis, total turnover registered a record increase of 37.76% in the history of IRCON and stood at ₹7585.71 Crore (previous year ₹5506.45 Crore).

It is noteworthy to mention that your Company, which started exclusively as a railway construction Company has acquired expertise across diversified infrastructure sectors over the past 46 years and has built its reputation globally. The Company has to its credit, 128 completed projects in 25 countries across the globe, and 398 projects in India.

CONTRACTS SECURED IN INDIA AND ABROAD

Despite the adverse impact of COVID-19 pandemic across the construction industry worldwide and the consequent weakening of global economic prospects, during the FY 2021-22 your Company has been successful in securing one foreign project for construction of Road from Paletwa (Myanmar) to Zorinpuri (Mizoram) under Kaladan Multi Modal Transit Transport Project (KMMTTP) on EPC Mode in Myanmar valuing ₹1780 Crore.

Your Company has also secured new domestic works of approx. ₹14,400 Crore during FY 2021-22 through competitive bidding. With the new orders secured both in domestic and international segment, the order book as on March 31, 2022, stood at ₹43,758 Crore (approx.) as compared to ₹34,689 Crore (approx.) in the previous

financial year. The major new works secured by your company are in varied sectors viz. railway electrification, highway project, metro track works, workshops, airports and renewable energy. Your company has also secured Civil and Track works packages in the prestigious High Speed Railway Project being implemented for the first time in India. In the backdrop of change in the policy of Ministry of Railways, eliminating award of contracts on nomination basis, the range and value of new business secured by the company is commendable and value of the order book as on June 30, 2022 stood at ₹42,066 Crore (approx.).

Your Company has more than 50 projects in its portfolio, including 5 international projects in Bangladesh, Algeria, Sri Lanka, Nepal & Myanmar. We continue to actively participate in new projects across industry segments in the domestic front to capture healthy profit margins. The Company has forayed into the renewable power sector to establish a 500 MW solar power plant through a joint venture. With its endeavour to enhance its portfolio in international market, the Company is aggressively pursuing foreign projects funded through Line of Credit / other project export funding arrangements of EXIM Bank of India and projects funded through Multilateral funding agencies.

FINANCIAL PERFORMANCE

Financial Highlights:

Apart from recording the highest ever total turnover, we have also recorded highest ever operating turnover of ₹6910 Crore in FY 2021-22, as against ₹4956 Crore in the previous financial year registering an increase of 39.43%. Profit Before Tax (PBT) for FY2021-22 stood at ₹610 Crore thereby showing an increase of 6.27% as compared to ₹574 Crore in the previous financial year. Profit After Tax (PAT) stood at ₹544 Crore in FY2021-22, registering a growth of 34.32%, as against ₹405 Crore in the previous financial year. The Net Worth of your company has increased by 4.88% to ₹4621 Crore in FY 2021-22, as against ₹4406 Crore in FY 2020-21.

During FY 2021-22, the Railway sector contributed around 92% to our total revenue. Our primary focus has consistently remained deeply rooted in the Railway sector, which is our core strength. We have also increased our share of Highway business and this year its share in the total revenue is approximately 7.19% and share of Electrical, Building and other works in total revenue is approx. 0.37%.

On a consolidated basis, the impressive financial performance of the Company is evident from a quantum jump of 37.94% in the operating turnover during FY 2021-22, which touched ₹7380 Crore (previous year ₹5350 Crore). We have achieved a consolidated Net Profit of ₹592 Crore for FY 2021-22 as against ₹391 Crore in the previous year.

Furthermore, I would like to mention that the Statutory Auditors have not given any qualification or remarks in the Auditors' Report and the Comptroller & Auditor General of India (C&AG) has given 'Nil' comments for the FY 2021-22.

Financial results for the quarter ended 30.06.2022:

It gives me pleasure to announce that the turnover and profitability for Q1FY23 (Standalone) have improved substantially in comparison with Q1FY22. The total turnover for this quarter has increased by 77.34% to ₹1956.95 Crore from ₹1103.49 Crore; the operating turnover stood at ₹1897.20 Crore showing an increase of 80.15% against ₹1053.10 Crore; and the Profit After Tax (PAT) has increased by 45.37% to ₹123.13 Crore from ₹84.70 Crore.

Dividend:

In addition to three interim dividends of 92.50% on the paid-up share capital (of ₹188.10 Crore) of the Company amounting to ₹174 Crore (approx.), your company has proposed a final dividend of 32.50% of the paid-up share capital amounting to ₹61.13 Crore. With this the total dividend pay-out for FY 2021-22 would stand at 125% on the paid-up equity share capital, aggregating to ₹235.13 Crore (approx.), which is 43.20% of the post-tax profits of FY 2021-22 and 5.09% of net worth of the Company as on March 31, 2022.

After declaration and payment of the proposed final dividend, the cumulative dividend paid to shareholders up to FY 2021-22 would stand at ₹2374.47 Crore (approx.).

Share Capital:

During the FY 2021-22 the paid-up share capital doubled to ₹188.10 Crore by issue of new fully paid bonus shares in the ratio of 1:1 in May 2021. As on March 31, 2022 the shareholding of the Promoter i.e. President of India stood at 73.18% of the paid-up equity share capital. Your Company is in compliance of the Minimum Public Shareholding (MPS) requirement in terms of the Securities Contracts (Regulation) Rules, 1957.

INCORPORATION OF NEW IRCON GROUP COMPANIES

It is noteworthy to mention that the IRCON Group is progressively expanding with five new subsidiary companies formed during the FY 2021-22. The new companies include four wholly-owned subsidiary companies incorporated for execution of road / highway projects of National Highways Authority of India on Hybrid Annuity Mode (HAM) basis, of which two projects are located in the State of Maharashtra, one in Punjab and one in Uttarakhand. In addition, one subsidiary with 76% stake of IRCON has been incorporated in the renewable energy sector for setting up of 500 MW Grid Connected Solar PV Power project of Indian Renewable Energy Development Agency Limited (IREDA). As of now, IRCON Group comprises of eleven subsidiary companies and seven joint venture companies, the details of which are provided in the Directors' Report.

During the year, your Company has infused equity / quasi equity of ₹212.84 Crore in its subsidiary and JV companies, resulting in



While focusing in core business, we also aim to aggressively increase our international business share.



cumulative investment of ₹1421.68 Crore as on March 31, 2022.

In the progressive path towards reducing financial investment of IRCON in its subsidiary companies and improving liquidity position of IRCON, during the FY 2021-22, the existing loan of IRCON of ₹589.50 Crore in IrconVKEL and of ₹501 Crore in IrconSGTL have been repaid by these wholly-owned subsidiary companies to IRCON, after availing of term loan facility from scheduled banks, for which IRCON has provided Corporate Guarantee. The other details of investments made, loans granted, and guarantees extended by IRCON to its subsidiary and joint venture companies during the FY 2021-22 forms part of the notes to the standalone financial statements provided in the Annual Report.

RATINGS & COMMENDATIONS

In terms of Memorandum of Understanding (MoU) signed with the Ministry of Railways, Government of India, your company has been rated as 'Excellent' for the year 2019-20 & 2020-21. The Company expects to achieve 'Very Good' rating for the year 2021-22.

Based on the financials of FY 2021 as per USA's Engineering News Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 International Contractors (Ranked 229th); as per the Business Standard BS 1000 Annual Magazine released in March 2022, IRCON has been ranked 190th by total revenue, and ranked 11th in terms of sector performance under the 'Construction and Infrastructure' Sector; and at the 254th position in the list of Fortune India 500.

Keeping up the trend of winning awards year after year, during the FY 2021-22, IRCON has won 'Governance Now 8th PSU Award' in two categories viz. CSR Commitment and CSR Leadership Award; 'National Awards for Excellence in PSU' in three categories viz. Innovation Social Media Outreach, Increasing the Geo-Strategic Reach, and Exemplary Leader; and 'Greentech Foundation Safety Award' for construction safety.

CORPORATE GOVERNANCE

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

A certificate on Compliance of conditions of Corporate Governance under the SEBI Regulation and DPE Guidelines on Corporate Governance forms part of the Directors' Report. Your Company has secured 'Excellent' rating for FY 2021-22, on a self-evaluation basis, in compliance with Corporate Guidelines of DPE.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

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 our organization's operations. We consistently strive to make a positive impact on communities in which we operate. We have taken comprehensive initiatives in the areas of health, education, economic welfare and environment protection. Our ESG management is a

thoughtful framework that includes critical factors such as transparent governance system, investing in our employees and nurturing diverse workplace, delivering high-value projects to our customers and empowering the communities in which we operate.

Our business strategies aim to achieve consistent sustainable and responsible growth. 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.

We consistently strive to make positive impact on the communities in which we operate. As a corporate citizen we have spent ₹10.52 Crore towards Corporate Social Responsibility (CSR) activities during FY 2021-22, as against the allocated budget of ₹10.50 Crore. Focussing on the Annual Theme – 'Health & Nutrition and COVID related activities' as announced by the DPE and to give preference to the Aspirational districts under CSR, the CSR & Sustainability activities of the Company comprised of installation of one oxygen Generating Plant at Samastipur Railway Hospital to enhance the capacity to face the present COVID-19 crisis; rain water harvesting system at Delhi Area; eye screening camp, limb distribution, education and skill development programs and other initiatives in the field of sports, healthcare, rural development, conservation of environment, and facilitating differently abled persons. We have also contributed ₹1.14 Crore to Prime Minister's Citizen Assistance and Relief in emergency Situation Fund (PM CARES Fund).

HUMAN RESOURCE, THE BIGGEST ASSET

Growing with the belief that the employees hold the key to success of an organization, the Company's policies have been designed in a way to adopt the latest methods to constantly upgrade the knowledge, ability, skills and productivity of the employees. The employees are encouraged to engage as partners, with emphasis on their career progression, well-being and development to create a healthy and harmonious environment within the organization.

The Company believes that retention of well-trained, competent, and committed employees and also expanding our workforce who can usher in new ideas, strategies and processes will ultimately help in improving the efficiency of the Company. The total strength of our human resources as of March 31, 2022 stood at 1278, with 181 newly employed personnel.

EMPOWERMENT THROUGH INFORMATION TECHNOLOGY

In the process of improving the levels of transparency and efficiency through technology advancement, your Company is adopting latest upgradation of S4-HANA system to cover end-to-end business processes. During the year, Employee Self Service Portal, Finance and HCM modules are under rollout for entire organization and five pilot locations are under go live for full functionalities. The other initiatives of the Company in the direction of paperless office includes e-office system from National Informatics Centre (NIC) for approval and movement of official documents within the organization, Government eProcurement system of NIC-GePNIC offering full transparency in public procurement, and dedicated Video Conferencing facility on CISCO VC and Google Meet from official e-mail ID, which enabled seamless meetings for review of the projects, meetings of the Board, its Committees and also General meetings.

FUTURE OUTLOOK

In future, IRCON's business growth will be principally focussed on its core business i.e. the Railway and Highways in domestic as well as international sector with focus on strategic alliances to pursue potential opportunities in railways, highways, building projects, ports, harbours, bridges tunnels and metro rails.

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. In Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating ₹10 lakh Crore (US\$ 130.57 billion) to enhance the infrastructure sector. The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. As a part of Atmanirbhar Bharat, 2,000 km of network will be brought under Kavach, the indigenous world-class technology for safety and capacity augmentation in 2022-23.

In 2022-23, the national highway network will be increased by 25,000 kms with a funding outlay of ₹20,000 Crore (US\$ 2.61 billion). These initiatives of Government will be helpful in laying blueprint for expansion of opportunities and order book of your Company.

We shall be systematically targeting to improve our business share in the domestic market by improving our participation in core business sectors like Railways, Highways, Tunnels, Bridges etc. These include construction of Eastern Dedicated Freight Corridor on Hybrid DBFOT Mode, EPC Tenders for tunnels, bridges and EPC Contracts for various Zonal Railways, PMC Works for Indian Railway projects, projects of High-Speed Rail, NCRTC, NHAI, and other such entities. Your Company has its presence in many states in India and intends to further expand its domestic operations across the nation as part of its business growth model.

We also aim to aggressively increase our international business share by venturing into new geographies and new business sectors to capture better profit margins accorded by these projects as compared to domestic projects.

ACKNOWLEDGEMENT

I am incredibly thankful to all the predecessors and present Board Members, our Shareholders, and all other Stakeholders for their co-operation and trust in IRCON. On behalf of the Board of Directors, I take this opportunity to record our gratitude and appreciation for the untiring efforts of all the past and present employees of the Company. The Company is grateful for the valuable support received from the Government of India particularly the Ministry of Railways, and the other Ministries and Departments of Government of India, Banks, Comptroller & Auditor General of India (C&AG), Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditors. Above all, I am extremely thankful to our esteemed clients both in India and abroad for their continued trust and confidence in IRCON.

I am confident that IRCON will further consolidate its position and presence by keeping itself abreast of and tuned to the ever-changing global scenario.

Best Regards,

Sd/-
(Yogesh Kumar Misra)
Chairman & Managing Director and CEO



Board of Directors

Shri Yogesh Kumar Misra
Chairman and Managing Director & CEO
[with additional charge of Director (Works)]

Shri Yogesh Kumar Misra (DIN: 07654014), is Chairman and Managing Director & CEO of our Company. He has also been entrusted with the additional charge of Director (Works), IRCON, w.e.f. September 04, 2021. He holds a bachelor's degree in Civil Engineering from Indian Institute of Technology (IIT), Delhi.

Before his appointment as Chairman & Managing Director, IRCON, he was Director (Works), IRCON since December 28, 2018. Previously, he has held the position of Executive Director (Works) in IRCON. He joined IRCON in 2006 as an Additional General Manager, Marketing, New Delhi.

He belongs to Indian Railway Service of Engineers (IRSE) officer of 1987 batch and has over 35 years of rich and varied experience in Railways. Under his leadership, IRCON has secured projects on EPC/BOT/BLT/negotiation basis within India and abroad in Algeria, Bangladesh and Myanmar. He is having expertise in Project Development and Consultancy for turnkey railway and highway projects involving, detailed survey, alignment design, tunnels, bridges etc.

“ IRCON is focussing and leading for diversification in sectoral as well as geographical coverage with commitment of high quality projects.”



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 has an overall experience of 37 years and has worked in infrastructure sector and in different capacities in Indian Railways. 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. August 17, 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, Sri Lanka and etc. He has also been nominated as Part-Time Director on the Board of many JV Companies of IRCON. He has been on the Board of IRCON since November 01, 2019.



Smt. Ragini Advani
Director (Finance)

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

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

Her previous experience was with NTPC SAIL Power Company Private Limited (NSPCL) and KPMG. She has rich and varied experience in Corporate Finance which includes dealing with valuations, mergers/demergers and acquisitions, financial restructuring, treasury management, arranging loan financing, corporate planning & budgeting, commercial billing and purchase of coal through e-auction, regular MIS, dealing with C&AG, dealing with CERC for finalisation of tariff orders and signing long term PPAs. She has also been subject matter expert / mentor for 'in-house' senior management programmes of EIL in respect of finance matters. She has been on the Board of IRCON since April 19, 2022.



Shri Dhananjaya Singh
Government Nominee [Part-Time
(Official)] Director

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

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



Smt. Ranjana Upadhyay
Independent [Part-Time
(Non- Official)] Director

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

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



Shri Ajay Kumar Chauhan
Independent [Part-Time
(Non- Official)] Director

Shri Ajay Kumar Chauhan belongs to Indian Revenue Service (IRS) 1984 Batch and has served at senior positions in Tax administration, Investigation, Quasi-judicial, Audit, Litigation and Research divisions of the Department. He was also on deputation as the first Director General of the Competition Commission of India, Ministry of Corporate Affairs, wherein some big cases of cartel, bid rigging and abuse of dominance etc. were investigated during his tenure.

Shri Chauhan holds M.B.A degree from Graduate School of Business, University of Sydney, M.Phil. (Organization Behavior) and M.A. (Industrial Psychology) from University of Delhi, B.A. (Hons.) from Aligarh University. Further he holds several Diploma /Certificate on Advanced Management, Competition Laws & practices and Corporate Governance from Syracuse University, OECD and IIM.

He is a recipient of the prestigious Merit Scholarship awarded by Asian Development Bank, Manila and "Innovator of the year 2017" bestowed by the Commerce & Professional Institutions of Madhya Pradesh. He has been the Chairman/ Member of several committees: Competition law amendment committee, National faceless assessment scheme, Regional Economic Intelligence Council and Business process re-engineering project. He has been on the Board of IRCON since November 11, 2021.



Shri Dipendra Kumar Gupta
Independent [Part-Time
(Non- Official)] Director

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

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



Dr. Kartik Chandulal Bhadra
Independent [Part-Time
(Non- Official)] Director

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

He is an eminent paediatrician of South Gujarat and has a well-equipped Hospital with state-of-the-art facilities where he has been practicing medicine and serving the community for the past 29 years. He was the President of Indian Medical Association of Valsad and has also been the President of Indian Academy of Pediatrics Valsad for five consecutive years. He is a philanthropist who believes in serving the society and strengthening the community as demonstrated by his numerous initiatives. He is actively associated with more than 10 social organisations. He is the Vice President trustee of Vidhyabharti affiliated school "Shree Saraswati Shishu Mandir" where over 800 students from lower socioeconomic status come to receive an education of a higher standard. He has established UDAN (Unnat Desh-Adarsh Nagrik) foundation- a unique awareness programme managed and operated by him and his patriotic team of stalwarts from different spheres of life. He has been on the Board of IRCON since December 31, 2021.

SENIOR EXECUTIVES



Shri Ashok Kumar Goyal
Executive Director (Works)



Dr. Subhash Chand
Executive Director (Electricals)



Shri Surender Singh
Executive Director (Special Works)



Shri Mugunthan Boju Gowda
Executive Director & Chief Financial Officer



Shri Parag Verma
Executive Director (Infrastructure)



Shri Pawan Kumar
Executive Director (J&K)

SENIOR EXECUTIVES



Shri Pramod Kumar Singh
Project Director (Patna)



Shri Mohinder Singh
Project Director (Rangpo)



Shri Ankush Gupta
Project Director (Chhattisgarh)



Shri Devendra Kumar Sharma
Project Director (Vadodara Mumbai Expressway)



Shri Sitesh Kumar Singh
Project Director (Civil-Mumbai)



Shri V.K. Jayashankar
Project Director (Algeria)

Jayanagar (India)-Bijalpura (Nepal) Project



Cross border rail section from Jayanagar (Km. 0.00) to Kurtha (Km. 34.90) Inaugurated by the Hon'ble Prime Minister of India and the Hon'ble Prime Minister of Nepal on April 02, 2022

Udhampur-Srinagar-Baramula Rail Link (USBRL) project



Excavation of about 11 Km in Main Tunnel of T15 completed on January 18, 2022.



Excavation of Main Tunnel of longest tunnel T-49 of 12.76 Km in USBRL Project on February 15, 2022



Hajipur-Bachwara Doubling project

- CRS inspection (Commission of Railway Safety inspection) of Hajipur-Akshaywat Rai Nagar (11.5 km) was held on March 24, 2022 and the section was commissioned at a maximum speed of 80 KMPH.
- CRS inspection of Shahpur Patoree-Sahdei Buzurg (12.41 km) was held on January 07, 2022 and section got commissioned at maximum speed of 90 KMPH.



East Rail Corridor (Phase-I) : Kharsia to Dharamjaigarh



Korichhapar to Dharamjaygarh Section of 30 Km opened for operation of Goods train with Diesel traction on June 21, 2021



Gharghoda to Bhalumuda section of 14 Km [Spur (Single) Line] commissioned for Goods train on February 25, 2022



CERL – I Electrification Work



CERL – I Electrification Work

Katni-Singrauli Doubling Project

43.33 Km commissioned:

- New Katni Jn.-Katangi Khurd section of 7.80 Km Commissioned on June 14, 2021
- Deoragram Majhauri section of 8.30 km commissioned at a maximum speed of 90 KMPH on September 07, 2021
- Mahediya-Singrauli section of 5.90 km commissioned on February 11, 2022
- Salhana-Pipriya-Khanna Banjari section of 21.33 km commissioned on February 13, 2022



SIVOK RANGPO PROJECT

- Completion of 10.34 excavation of Main Tunnels. Break through blast in 1.96 KM long tunnel No. 14 on February 08, 2022.



DEDICATED FREIGHT CORRIDOR PROJECT, CTP-12



IRCON has set the record of manufacturing and launching the largest precast PSC segmental twin shell box (measuring 18.47 metres in length, 15.8 metres in width and 9.73 metres in height in four days) at Road Over Bridge (ROB) Valsad between Valsad and Pardi Railway Stations, Gujarat.



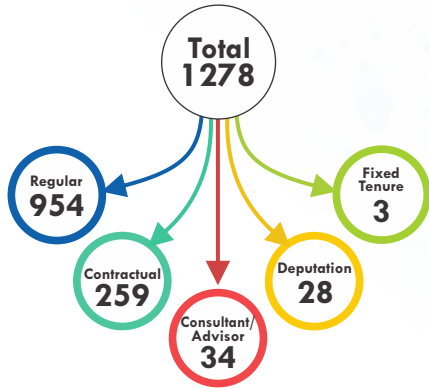
DFC Station Building at Ancheli (Gujarat).

INDOOR STADIUM AT BEHALA INAUGURATED IN MAY 2022

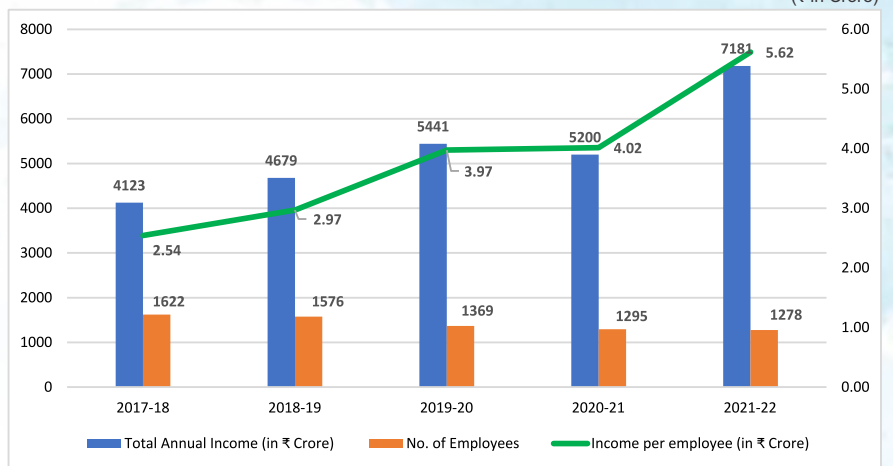


Fully air-conditioned multi-purpose Indoor Stadium with state-of-the-art facilities was developed with a seating capacity of about 1,100 in a two-tier viewer gallery

Employee strength as on March 31, 2022 (In Numbers)



INCOME PER EMPLOYEE TREND



“We recognize our qualified & experienced Human Capital as its most valuable asset as it is the driving force behind our success and our ability to cater to vast clientele. We leave no stone unturned for the development and well being of our employees.”



“Consistence performance recognized with awards accolades from several renowned institutions”

Greentech Foundation Safety Award



(For Construction Safety)

Governance Now 8th PSU Award



(CSR Commitment)



(CSR Leadership Award)

National Awards for Excellence in PSU



(Innovation Social Media Outreach)



(Increasing the Geo-Strategic reach)



(Exemplary Leader)

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

CSR Spend
(from FY14 to FY22)
+ ₹ 67 Cr

₹ in crore



Swachh Bharat
(Incl. Sanitation)
11.07 (16.46%)



Art, Culture & Sports
1.68 (2.50%)

Clean Ganga
4.58 (6.81%)



Rural Development
2.24 (3.34%)



Health & Nutrition
7.95 (11.83%)



PM CARES Fund
21.14 (31.44%)

Education & Skill Development
9.68 (14.40%)



Others
3.63 (5.40%)



Forest & Env.
4.20 (6.25%)



Admn. & Other cost
1.05 (1.57%)

CSR Spend in FY22
₹ 10.52 Cr



HEALTH



Artificial Limbs distribution to Divyangjan



Free Eye Screening Camps at 30 schools of the Aspirational district of Jaisalmer, Rajasthan by M/s PCB Trust



Installation of Oxygen Generating Plant at Divisional Railway Hospital, Samastipur, District of Bihar



SKILL DEVELOPMENT



Promoting quality education by sponsorship to 150 tribal students living in a residential set up at Bhubaneswar by M/s Kalinga Institute of Social Science.



EDUCATION



Promoting education through the "Knowledge on Wheels" program at Maharashtra by M/s Keshav Shrusthi



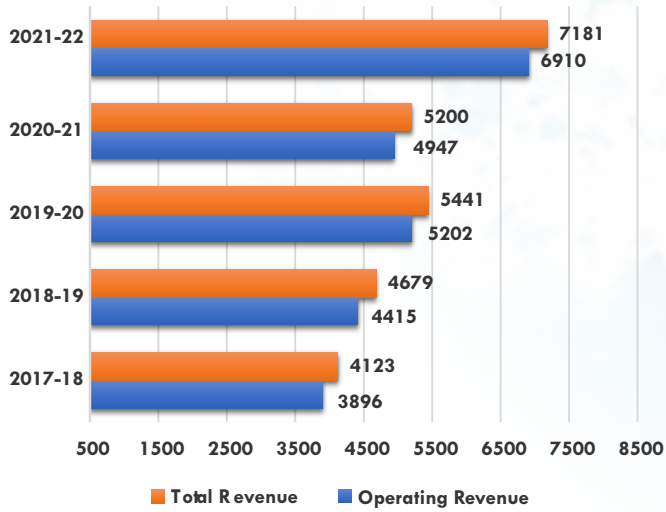
Promoting pre-primary Education of around 140 slum children in Nangloi, Delhi, and other such locations by M/s GODHULI

KEY PERFORMANCE INDICATORS (STANDALONE)

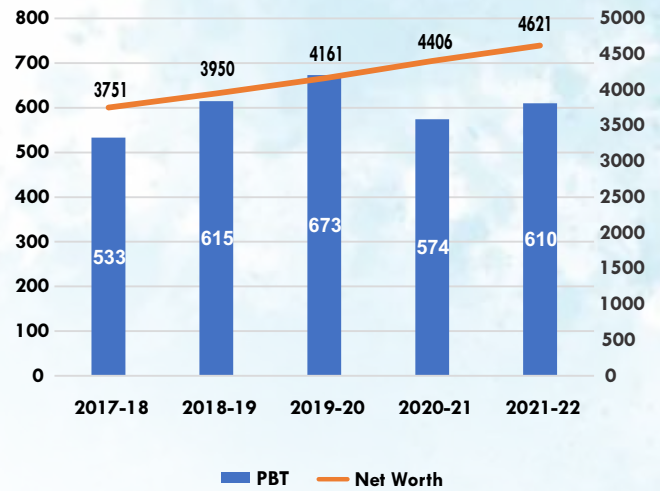


(₹ in Crore)

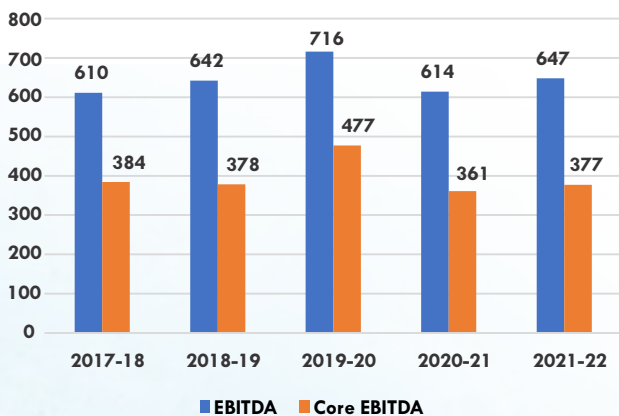
Total Revenue/Operating Revenue



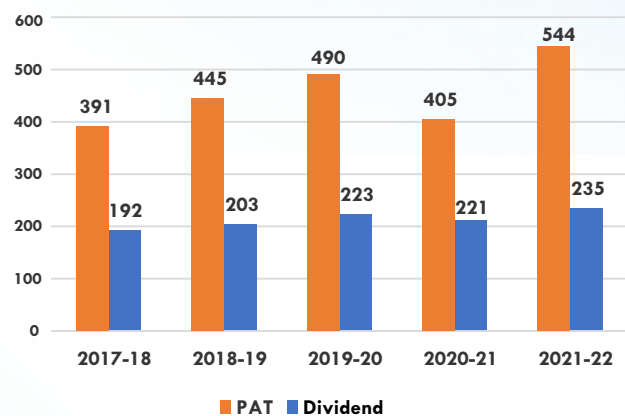
Profit Before Tax (PBT) & Net Worth



EBITDA/Core EBITDA



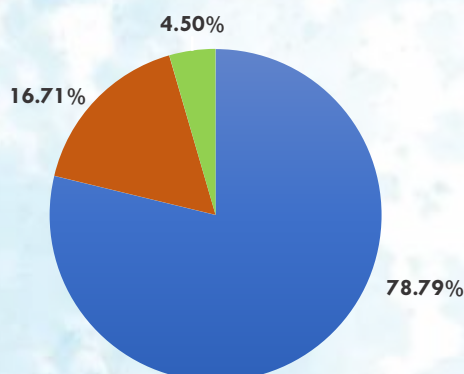
Profit After Tax (PAT)/Dividend



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

Order Book

₹ 43,758 Cr



Railways - ₹ 34,475 Cr Highways - ₹ 7,312 Cr Others - ₹ 1,971 Cr

“Our Growth is never by mere chance; it is the result of forces working together.”



(₹ in crore)

FINANCIAL HIGHLIGHTS (STANDALONE)

Sl. No.	Particulars	Ind AS							IGAAP		
		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
1	Revenue from Operations	6,910	4,947	5,202	4,415	3,896	2,994	2,419	2,864	4,057	4,232
2	Other Income	271	253	239	264	227	260	442	258	250	249
3	Total Income	7,181	5,200	5,441	4,679	4,123	3,254	2,861	3,122	4,307	4,481
4	Expenditure before Finance Cost and Depreciation & Amortisation	6,534	4,587	4,726	4,037	3,513	2,717	2,187	2,258	2,985	3,413
5	Finance Cost	10	15	27	16	64	61	43	9	38	11
6	Depreciation and Amortisation	27	25	16	12	13	18	28	10	34	43
7	Earning Before Interest, Tax and Depreciation (EBITDA)	647	614	716	642	610	611	673	863	1,321	1,069
8	Earning Before Interest and Tax (EBIT)	620	589	700	631	597	593	645	853	1,287	1,026
9	Profit Before Tax	610	574	673	615	533	532	602	844	1,249	1,015
10	Profit After Tax	544	405	490	445	391	369	395	579	907	730
11	Dividend for the Year	235	221	223	203	192	192	168	182	182	148
12	Share Capital	188.10	94.05	94.05	94.05	94.05	98.980	19.800	19.800	19.800	19.800
13	Capital Employed *	4,621	4,406	6,007	6,510	6,952	3,828	3,667	3,354	2,993	2,300
14	Net Worth	4,621	4,406	4,161	3,950	3,751	3,828	3,667	3,354	2,993	2,300
15	PBT Margin (%) (PBT/Total Income)	8.49	11.04	12.37	13.14	12.93	16.35	21.04	27.05	29.00	22.64
16	PAT Margin (%) (PAT/Total Income)	7.58	7.78	9.00	9.51	9.48	11.34	13.81	18.56	21.06	16.29
17	Return on Net Worth (%) (PAT/Net worth)	11.77	9.18	11.77	11.27	10.42	9.64	10.77	17.27	30.30	31.73
18	Return on Capital Employed (%) (EBIT/Capital Employed)	13.42	13.36	11.66	9.69	8.59	15.48	17.59	25.44	43.01	44.58
19	Number of Employees (No.)	1,278	1,295	1,369	1,576	1,622	1,496	1,499	1,472	1,579	1,704
20	Income per Employee (Total Income/Number of Employee)	5.62	4.02	3.97	2.97	2.54	2.17	1.91	2.12	2.73	2.63

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



MANAGEMENT DISCUSSION AND ANALYSIS

The infrastructure sector has become a key focus area for the government of India for creation of world class infrastructure in the country. Improving transport infrastructure is critical to the liveability of India's cities. It is also central to India's productivity and the competitiveness of sectors such as agriculture and manufacturing. India is expected to become the world's third largest construction market by 2022.

GLOBAL ECONOMIC OVERVIEW

Global economy was fiercely impacted due to COVID-19 pandemic. It was expected that global recovery will strengthen from the second quarter of the year 2022, after a short-lived impact of the Omicron variant. However, global economic prospects have worsened significantly largely because of Russia's invasion of Ukraine causing a tragic humanitarian crisis in Eastern Europe and the sanctions aimed at pressuring Russia to end hostilities.

This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war frequent and wider-ranging lockdowns in China including in key manufacturing hubs have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

In many countries, inflation has become a central concern. In some advanced economies, including the United States and some European countries, it has reached its highest level in more than 40 years, in the context of tight labor markets. There is a rising risk that inflation expectations become de-anchored, prompting a more aggressive tightening response from central banks. In emerging market and developing economies, increases in food and fuel prices could significantly increase the risk of social unrest.

Inflation is expected to remain elevated for longer than previously forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7% in advanced economies and 8.7 percent in emerging market and developing economies, which is 1.8% and 2.8% higher than projected in January 2022. Global growth is expected to slow significantly in 2022, largely as a consequence of the war.

As per "World Economic Outlook (WEO)" (April, 2022 Edition), published by International Monetary Report (IMF), Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than the forecast made in January, 2022 by IMF. The downgrade largely reflects the war's direct impacts on Russia and Ukraine and global spillovers. Beyond 2023, global growth is forecast to decline to about 3.3%

over the medium term. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026.

INDIAN ECONOMY

World economy got negatively impacted due to COVID-19 pandemic and India was also not an exception. However, with the gradual improvement in pandemic situation, Indian economy was recovering, meantime, war between Russia and Ukraine derailed the economic recovery of the country. Commodity prices surged during the first quarter of 2022, reflecting the effects of the war in Ukraine as well as continued growth in demand and various constraints on supply. Amid concerns about the war's disruptive effects on commodity supply, the increases in prices were particularly pronounced for commodities where Russia and Ukraine are large exporters, particularly energy, fertilizers, and some grains and metals.

The metals and minerals index rose 13% in Q12021-2022 (q/q) and is now 24% higher than a year ago. Nickel prices rose 35% in the quarter, chiefly due to a short squeeze that led the London Metal Exchange to halt trading in the metal for several days in mid-March. Aluminum and iron ore prices also saw large increases, reflecting Russia's importance in global supply. Russia is the world's largest exporter of wheat, pig iron, enriched uranium, natural gas, palladium, and nickel. The tense global geopolitical situation and the consequent elevated commodity prices impart considerable uncertainty to the domestic inflation outlook.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2022, India's real gross domestic product (GDP) growth in 2021-22 was 8.7%. This works out to 1.5% above the pre-pandemic level (2019-20). In Q42021-22, real GDP growth decelerated to 4.1% from 5.4% in Q3, dragged down mainly by weakness in private consumption on the back of the Omicron wave.

Way Forward

As per Monetary Policy Statement of Reserve Bank of India (RBI) issued in June, 2022, the recovery in domestic economic activity is gathering strength. Rural consumption should benefit from the likely normal south-west monsoon and the expected improvement in agricultural prospects. A rebound in contact-intensive services is likely to bolster urban consumption, going forward. Investment activity is expected to be supported by improving capacity utilization, the government's capex push, and strengthening bank credit. Growth of merchandise and services exports is set to sustain the recent buoyancy. Spillovers from prolonged geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions nevertheless weigh on the outlook. Taking all these factors into consideration, the real GDP growth projection for 2022-23 is retained at 7.2%, with Q1 at 16.2%; Q2 at 6.2%; Q3 at 4.1%; and Q4 at 4.0%, with risks broadly balanced.

International Monetary Fund (IMF) has reduced its GDP projections for India in World Economic Outlook (April 2022) to 7.4% in 2022 and 6.1% in 2023.

Foreign Exchange Reserves

As per RBI Report on Foreign Exchange Reserves issued in March, 2022, Foreign exchange reserves of India have decreased from US\$ 635.36 billion as at end-September 2021 to US\$ 607.31 billion as at end March 2022. Movements in the Foreign Currency Assets (FCA) occur mainly on account of purchase and sale of foreign exchange by the RBI, income arising out of the deployment of the foreign exchange reserves, external aid receipts of the Central Government and changes on account of revaluation of the assets.

On a balance of payments basis (i.e., excluding valuation effects), foreign exchange reserves increased by US\$ 63.5 billion during April-December 2021 as compared with US\$ 83.9 billion during April-December 2020. Foreign exchange reserves in nominal terms (including valuation effects) increased by US\$ 56.6 billion during April-December 2021 as compared with US\$ 108.0 billion in the corresponding period of the preceding year.

INDUSTRY OVERVIEW

In Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating ₹10 lakh Crore (US\$ 130.57 billion) to enhance the infrastructure sector. The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth ₹1.10 lakh Crore (US\$ 15.09 billion) were completed as of 2020.

As a part of Government thrust on infrastructure and to give further impetus to the implementation of priority programmes of National Infrastructure Prioritization, National Monetization Pipeline and Gatishakti, there has been a renewed thrust on scaling up infrastructure-centric capacity among public entities. Budget 2022 also specified the importance of capacity building, wherein it stated "With technical support from the Capacity Building Commission, central ministries, state governments, and their infra-agencies will have their skills upgraded. This will ramp up capacity in planning, design, financing (including innovative ways), and implementation management of the PM GatiShakti infrastructure projects".

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.17 billion and US\$ 26.30 billion, respectively, between April 2000-December 2021. India is expected to become the third-largest construction market globally by 2022. India has a requirement of investment worth ₹50 trillion (US\$ 777.73 billion) across infrastructure by 2022 for a sustainable development in the country.

The Hon'ble Prime Minister Shri Narendra Modi has announced a ₹100 lakh Crore master plan for multi-modal connectivity in October 2021, with the goal of developing infrastructure to lower logistic costs and improve the economy.

Railway Sector

In Union Budget 2022-23, an outlay of ₹1,40,367 Crore (US\$ 18.34 billion) was announced for Indian Railways,

more than the revised figures of the previous fiscal year. Indian Railways' revenue increased at a CAGR of 2.57% in FY16-FY19 and reached US\$ 27.71 billion in FY19. The gross revenue stood at ₹174,660.52 Crore (US\$ 24.99 billion) in FY20. Revenue for FY21 is estimated at ₹2,25,913 Crore (US\$ 30.42 billion).

The Ministry of Railways is working on a plan to earn ₹15,000 Crore (US\$ 1.56 billion) over the next 10-20 years through rail display network (RDN), enabling realtime information to passengers. Indian Railways will require investment of ₹35.3 trillion (US\$ 545.26 billion) by 2032 for capacity addition and modernisation. The capital expenditure in the sector is expected to increase by 92% annually. Railways is leading India's fight against



climate challenge and is taking significant steps towards meeting its ambitious goal of being a net zero carbon emissions organisation by 2030 and meeting India's Intended Nationally Determined Contributions (INDC) targets. In FY21, Indian Railways recorded the highest loading in freight transportation. With this, the freight revenue of Indian Railways increased to ₹1,17,386 Crore (US\$ 15.84 billion) in the same period, as against ₹1,13,897 Crore (US\$ 15.36 billion) in 2019-20. In August 2021, freight earnings stood at ₹10,866.20 Crore (US\$ 1.45 billion) and freight loading was 110.55 million tonnes. The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes, railway colonies, hill railways and stadiums.

In Budget 2022, it was announced that Railways will develop new products and efficient logistics services for small farmers and Small and Medium Enterprises, besides taking the lead in integration of Postal and Railways networks to provide seamless solutions for movement of parcels. 'One Station-One Product' concept will be popularized to help local businesses & supply chains. As a part of Atmanirbhar Bharat, 2,000 km of network will be brought under Kavach, the indigenous world-class technology for safety and capacity augmentation in 2022-23. Four hundred new-generation Vande Bharat Trains with better energy efficiency and passenger riding experience will be developed and manufactured during the next three years. One hundred PM GatiShakti Cargo Terminals for multimodal logistics facilities will be developed during the next three years.

Road Sector

In Budget 2022-23, the national highways will be expanded by 25,000 kilometres with a funding outlay of ₹20,000 Crores (US\$ 2.61 billion). ₹1,99,107.71 Crore (US\$ 26.02 billion) has been allocated towards road transport and highway.

Highway construction in India increased at a CAGR of 21.44% between FY16-FY19. In FY19, 10,855 kms of highways were constructed. The Government of India aims to construct 65,000 kms of national highways at a cost of ₹5.35 lakh Crore (US\$ 741.51 billion) by 2022. The national highways will be expanded by 25,000 kilometres with a funding outlay of ₹20,000 Crores (US\$ 2.61 billion). In March, Mr. Nitin Gadkari, Minister for Road Transport and Highway inaugurates 19 National Highway projects in Haryana and Rajasthan totalling ₹1,407 Crore (US\$ 183.9 million). By 2024, the Ministry of Road Transport and Highways wants to build 60,000 kms of world-class national highways at a rate of 40 kms each day. To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for ₹11,000 Crore (US\$ 1.48 billion).

In September 2021, the Indian government announced road projects worth ₹1 lakh Crore (US\$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir. The region also recorded growth in national highways, from 7 in 2014 to 11 in 2021. In September 2021, the Maharashtra government approved a 173.7-kilometre



long outer-ring road project, worth ₹26,831 Crore (US\$ 3.61 billion), in Pune. In FY22, government initiatives such as the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction. As of October 2021, the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms compared with 4,956 kms, as of October 2020. In August 2021, Union Minister of Road Transport Highways, Mr. Nitin Gadkari announced to launch 1,080-km (road construction) projects worth ₹25,370 Crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana - the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.

Metro & Mono Rail Sector

Metro rail network reached 637.2 kms as of September

2020. In June 2020, A&M Development Group, a European infrastructure development company, announced its plans to invest ₹100 Crore (US\$ 14.19 million) in Mumbai metro project along with RCC Infra Ventures through its recently formed Indian arm, Oberoi-A&M Infra-Consortium. In November 2020, Alstom announced that it has successfully completed production of its 500th metro car at its 'SriCity' factory in Andhra Pradesh that manufactures 'Rolling Stock' (metro trains) for urban metro projects. In March 2021, Japan International Cooperation Agency (JICA) signed an agreement with the Government of India to provide loan up to ₹3,717 Crore (US\$ 560.85 million) for the development of Phase 2 of



'R6, 2A and 2B' of Bangalore Metro Rail Corporation Limited (BMRCL) in Bengaluru.

Renewable Power Sector

Government of India is focusing on alternative sources of energy to reduce import bill and to make self-sufficient in energy sector. As part of the Government mission, special thrust has been given to promote solar power production in India. The renewable energy capacity in India has increased by 250% between 2014 and 2021. The Central Electricity Authority estimates India's power requirement to grow to reach 817 GW by 2030. Most of the demand will come from real estate and transport sectors. Power generation from solar and wind projects are likely to be cost-competitive relative to thermal power generation in India in 2025-2030.

Non-conventional energy sector received FDI inflow of



US\$ 11.21 billion between April 2000 and December 2021. Rising foreign investment in the renewable sector (such as the US\$ 75 billion investment from the UAE) is

expected to promote further investments in the country.

In Budget 2022-23, to facilitate domestic manufacturing for the ambitious goal of 280 GW of installed solar capacity by 2030, an additional allocation of ₹19,500 Crore for Production Linked Incentive for manufacture of high efficiency modules, with priority to fully integrated manufacturing units from polysilicon to solar PV modules, will be made.

As of January 2022, India's installed renewable energy capacity stood at 152.36 GW (including hydro power), representing 38.56% of the overall installed power capacity and providing a great opportunity for the expansion of green data centres. India is the only country among the G20 countries that is on track to achieve its targets under the Paris Agreement. ICRA expects renewable energy capacity addition of 125 GW in FY22 and 16 GW in FY23. India's renewable energy generation capacity is expected to increase to 500 GW, and meet 50 of India's energy needs through renewable means by the year 2030.

COMPANY OVERVIEW

Ircon International Limited (IRCON), an integrated engineering and construction company having expertise in major infrastructure sectors including railways, highways, bridges, flyovers, tunnels, metro, railway electrification, EHV sub-stations, electrical and mechanical works, commercial and residential buildings, railway production units, amongst others. It offers Engineering Procurement and Construction (EPC) services on a lumpsum turnkey, EPC and item-rate basis for various infrastructure projects. To boost coal evacuation from states like Odisha, Jharkhand & Chattisgarh, IRCON is executing coal connectivity products in joint venture with other CPSEs under the Ministry of Coal. In addition to this, IRCON executes projects on Build, Operate and Transfer (BOT) mode and Hybrid Annuity Mode (HAM) by leveraging the financial strength of the Company to build long term wealth.

IRCON 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 46 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. Recently, IRCON has forayed into the area of Solar Power Development. 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, 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 398 projects in India. In the domestic market, it specializes in working in difficult terrains and disturbed regions. Furthermore, it is an active participant in prestigious nation-building projects.

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

LEGAL STATUS AND AUTONOMY

IRCON is a Schedule 'A', and a Mini Ratna-Category-I public sector listed company. It is a legal entity separate from the Government, and is a lawfully, functionally, and financially autonomous Company that operates under the corporate laws as an independent commercial enterprise. The Company does not receive any budgetary or financial support from the Government and is not dependent on the Government for any aid or assistance. However, the Government of India through the Ministry of Railways and the Department of Public Enterprises under the Ministry of 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 issues guidelines from time to time to regulate and bring about some uniform pattern in the functioning of the Company as a public sector enterprise.

The Promoter of your Company i.e. the President of India holds 73.18% of the total paid-up equity share capital of the Company, as on March 31, 2022. The Government of India has disinvested 10.53% paid-up equity share capital through Initial Public Offer (IPO) in September 2018. Further, post Offer for Sale (OFS) for disinvestment of 16% paid-up equity share capital, by the Government of India in March 2021, the Company was compliant on the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulations) Rules, 1957.

As per 2021 edition of USA's Engineering News Record (ENR), IRCON is the only Indian PSU to make it to the list of top 250 International Contractors. Further in the Business Standard BS 1000 Annual Magazine released in March 2022, IRCON has been ranked 190 in 2021 by total revenue, and ranked 11 in terms of sector performance under the 'Construction and Infrastructure' Sector. IRCON is also ranked 254th in the list of fortune India 500.

BUSINESS UNITS/DIVISIONS

Major business units/divisions of IRCON are as follows:

1. Business Development Department

IRCON's Business Development Department has a dedicated team to drive order books, develop and evaluate bidding strategies as well as to identify new

business opportunities to generate and nurture future business of the Company in the fast-paced competitive environment.

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

In the year 2021-22, the Business Development Department of IRCON has secured 12 Projects worth ₹16180.71 Crore. This includes two packages from the prestigious National High Speed Rail Project in India amounting to ₹6857 Crore, four road projects of NHAI worth ₹4528 Crore, one road project in Myanmar worth ₹1780 Crore, 500 MW Solar Power Plant Project worth ₹1960.04 Crore, one Railway Electrification Project worth ₹658.64 Crore, Track work project for Chennai Metro Rail Limited worth ₹337 Crore, one PMC Project for Airport Authority of India worth ₹11.74 Crore and One Workshop Project of Indian Railway worth ₹48.06 Crore.

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

The department is aggressively pursuing infrastructure projects in countries such as Bangladesh, Maldives, Malaysia, Myanmar, Nepal, and Sri Lanka which will help in fostering future growth of IRCON.

2. Civil Engineering Department

IRCON has emerged as one of the leading construction organization in the country and Civil Engineering Department is the backbone of the Company by earning major share of revenue for the Company. This department is led by professionally experienced senior management team from premier engineering and business schools and supported with a large pool of highly motivated and skilled civil engineers graduated from prestigious institutes of India such as IIT's, NIT's, etc. At present, total strength of Civil Engineers is 597 nos. which constitutes 46% of total staff strength.

IRCON always endeavours to execute projects with adoption of latest technology to delivers projects without major time and cost overrun. With a highly qualified and



experienced employee base, IRCON has thoroughly enhanced its competitiveness in the existing business. The Company has an impressive track record of growth and expansion in the construction of Railways, Highways, Bridges, Flyovers, Airports, Commercial & Industrial Buildings, Tunnels, Water treatment Plants, Residential Quarters, etc. Civil Engineers of IRCON are adopted to work in remotest areas of the country and abroad for project execution, from its inception to completion using latest state of the art modern Project Management Tools, such as Primavera, TILOS, MS Project, etc. Most of the Civil Engineers of the department are trained in the latest surveying techniques available all over the world, such as



GPS Surveying, Aerial LIDAR Surveying with Drones, Total Station Surveying, etc.

The Department has successfully completed many Mega Projects, and exhibited competency in completion of projects such as High-Speed Railway Line in IRAQ, Jamuna Bridge Rail Link-II in Bangladesh, Double track project between Seremban & Gemas, Malaysia, Upgradation of Railway Lines (4 Contracts) in Northern Province of Sri-Lanka, Completion of 118 Km of Qazigund - Baramulla New BG Railway Line in J&K, Completion of 11.2 Km Pir Panjal Tunnel (The longest transportation Tunnel in India) in J&K.



The department has developed expertise in tunneling in Himalayas with latest technology, such as NATM and takes pride in having more than 200 trained tunnel engineers. It takes pride in completion of more than 100 km of tunnel mining in the Himalayas. Another longest transport tunnel of 12.75 km is under advance stage of completion.

In the FY 2021-22, this department bagged major construction contracts for IRCON on competitive bidding and negotiation. This department plays a pivotal role and provides leadership in the effective execution of large value of composite projects. Thus the input, and leadership is essential for smooth execution of a vast number of project awarded to IRCON.

3. Design and Development Department

IRCON's Design and Development Cell (DDC) is dedicated to develop in-house civil designs & review designs submitted by consultants as per relevant CODAL provisions, value engineering, estimation of quantities for



bidding of various big-ticket national & international projects and other civil engineering solutions to most of IRCON's projects. Sophisticated design software such as Bentley Open Rail/Open Roads (for Alignment Design), STAAD Pro & MiDas (For Structural design and Bridge Design), IITPAVE & KGPBACK (Pavement & Overlay Design), SLIDE (For Slope Stability Analysis of Soil) are being used with the help of efficient CAD Engineers.

The in-house design team has extensive experience in Alignment Design, Bridge Design, RCC/Steel Structures Design, Buildings Design, Highway Pavement Design, Geo Technical Solutions and Hydrological Studies etc. The in-house design team has specialized group consisting of experienced Civil Engineers, graduated from top ranking Engineering Colleges of India such as IITs, NITs and other reputed colleges. The team is ably supported by other departments viz Civil Engineering, Electrical and Signalling.

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

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

finalizing designs of various domestic projects as well as international projects viz. DFCCIL CTP-12, CERN Dharamjaigarh-Kharsia section including spur line and feeder line, Agartala-Akhaura (India Portion) Viaduct Project, 2-tier Road cum Railway Bridge across River Ganges in Bihar at Digha Ghat, Bikaner-Phaloudi Road Project, CEWRL Gevra-Pendra Section, Gurgaon-Rewari Highway Project and Buildings of RAPDRP, Jammu etc.; and Railway link in Northern province of Sri Lanka, Railway Bridges of Jaynagar - Bardibas Railway Project (India and Nepal), Seremban-Gemas Electrified double track Railway Project (SGEDT) in Malaysia, Beira Rail Project, Mozambique including Dona Ana Bridge across the mighty River Zambezi etc.

The team has also played an important role in quantity estimation while bidding for various major rail / road projects viz High-Speed Rail Project C4, C5, C6 & C7 Packages, DFCCIL CTP 1, 2, 3, 3A, 11, 12 Packages, Gurgaon-Rewari Highway Project, Shivpuri-Guna Highway Project, Etihad Rail in UAE, Bangladesh, Maldives, Iran, Ethiopia, Oman etc.

4. Electrical Department

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

IRCON undertook its first major Railway Electrification Project of Delhi - Ring - Railway in 1980 and offered environment friendly electric traction services to passenger in Asian Games organized in 1982. Thereafter, in its journey of 4 decades, the company has executed more than 6500 TKM of Railway Electrification work in India & abroad and established itself as leader in the market.



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



Tunnel Ventilation and its power supply in long Rail Tunnel is highly technical and challenging work which was successfully executed in Pir-Panjaj Rail Tunnel, Jammu & Kashmir. With the experience and expertise of your Company in the Electrical field, it has entered into a new field of India's first Semi-High Speed Rapid Transit System, and is executing electrical works in Delhi-Meerut Section. This is an emerging field in Railway traction. In prestigious 'Mission Railway Electrification' of the Ministry of Railways, Government of India, IRCON is executing more than 2700 RKM and 29 sub-station works. IRCON has also entered into Renewable Energy business and is executing 'Setting up of 500 MW Grid Connected Solar Power Plant under the Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme)'.

5. Mechanical Engineering Department

Mechanical Engineering Department is a team of proficient, experienced as well as young, dynamic and energetic mechanical engineers. It has the capability of designing, installation and commissioning of new rolling stock production unit, workshop or diesel shed apart from re-engineering the existing units with the objective of increased out-turn in an efficient and economical ways by having the optimum utilization of resources as per the requirement of the end use customer from domestic as well as foreign market. The Department is also capable for handling all domain areas of operation and maintenance of rolling stock asset i.e. right from areas of construction of facilities to maintenance of assets along with business process re-engineering of existing facilities.



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

This department has not only set-up the modern and state-of-the-art Stainless Steel Coach Production units at Raebareli in a record time and beating the targets by a leap. Recently, it has also upgraded the diesel sheds at Vishakhapatnam so that it can simultaneously home Diesel as well as Electric Locomotives. The Department is presently looking after the composite works (Civil, Electrical and Mechanical) involving construction of Industrial Shops with PEB in connection with detachment free rake examination facilities at Exchange yard of Bondamunda, South Eastern Railways.

Coach production facility at Raebareli is an engineering marvel and is an integrated unit having all the facilities for turning out a finished coach from the basic raw materials such as rolled steel sheets. This facility has Coach/Shell fabrication Line, Robotized welding equipped Bogie Fabrication Shop, furnishing, finishing shop, Wheel Shop,



State of the art Paint Shop along with all the subsidiary systems such as Material auto storage and retrieval system etc., Power sub-station along with one of the largest solar park of 3MW in the area, residential colony for working personnel as well as for top management along with 100 bedded hospital, cricket stadium, athletic track, FIH certified hockey stadium and 18-hole golf course apart from other facilities. This makes the unit as self-sustaining unit.

Exporting of locomotives, freight wagons and passenger cars along with leasing and maintenance of locomotives, track machines are other key capabilities of the Department. This experience has been gained by implementing large projects not only in India but also at abroad for various government and / or multilateral funding agencies and other organizations.

This Department has undertook and completed various projects viz. Setting up of Wheel Shop at Rail Coach Factory, Kapurthala; Augmentation of Diesel Loco Shed, Vishakhapatnam; Supply of 10 (Ten) units YDM4 (Meter Gauge) Locomotives to Royal Railways, Cambodia; Supply of 6 (Six) units 2300HPAC/ DC (Broad Gauge) Locomotives with Co-Co bogies to Sri Lankan Railways, Sri Lanka; Leasing and Maintenance of Diesel Loco to KTMB, Malaysia where in more than 85% availability of rolling assets has been obtained for a span of more than

two decade, this itself reflects exceptional capability of IRCON for maintaining rolling assets.

6. Signal & Telecom Department

Since its inception in 1976, IRCON has been providing turnkey signalling solutions in India and abroad; and has unique distinction of executing Signaling & Telecom (S&T) projects in various countries as per their local codes, manuals and standards. With in-house design, construction and project management capabilities, all projects have been delivered satisfactorily on agreed timelines. IRCON has executed number of state-of-the-art signaling projects, starting from Relay Interlocking to Computer Based Interlocking (CBI), Automatic Train Protection (ATP), Centralised Traffic Control (CTC) systems and unique Rail Infra Condition Monitoring System (CAS). No other organization in India has experience of such diverse and state-of-the-art signaling projects. IRCON has been at the forefront of technology in execution of telecom works, and have recently executed Multiprotocol Label Switching (MPLS) and Synchronous Digital Hierarchy (SDH) technology projects in Sri Lanka, South Africa, Malaysia and India. Based on this technology, IRCON has executed IP-EPABX, IP-CCTV, PA system and Passenger Amenity items.



7. Estate Management Department

Over the years, from diversification into entire spectrum of infrastructure your Company's nature of business has also changed from a construction company to a project development and operation company. Your Company is undertaking full gamut of activities like BOT/HAM projects, leasing and consultancy services, real estate and commercial operations among other activities.

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

Among real estate projects, IRCON has constructed many commercial, institutional buildings, railway stations and townships etc. in India like multi-storied commercial complexes for CIDCO in Navi Mumbai, 500 bedded hospital in Bhopal, Veterinary Science Animal Husbandry

college campus in Aizwal, three major residential townships at Jhansi, Bhopal and Allahabad for Ministry of Defense, projects connected to Pusa University, Banaras Hindu University, CIFE, Mumbai, Vashi Railway Station, Multi-Functional Complexes (MFCs), Rail Coach Factory at Kapurthala as well as at Raebareli etc. IRCON has developed its own corporate office which is a modern and smart office featuring all elements of Green Building.

Foreseeing the growth in Real Estate Sector, IRCON has accumulated a large portfolio of real estate properties and assets in metropolitan cities such as Mumbai, Chennai, Kolkata, Bangalore, Noida and Gurugram etc. for commercial development.



FINANCIAL PERFORMANCE

During FY2021-22, the total income of the Company stood at ₹7181 Crore as against ₹5200 Crore in the previous financial year, thus showing an increase of 38.10%. More than 96% of the Company's total income i.e. ₹6910 Crore has been recorded from operations which is 39.43% higher as compared to the operating turnover of ₹4956 Crore of FY 2021. Out of the total amount of operations, 6.95%, that is ₹480.43 Crore has been achieved through international projects showing decrease of 17.53% as compared to the FY2021 of ₹582 Crore.

The Profit Before Tax (PBT) and Profit After Tax (PAT) have increased by 6.27% and 34.32%, respectively and it stood at ₹610 Crore and ₹544 Crore, respectively.

The details of interim dividend declared and paid and proposed final dividend for FY2021-22 for consideration and declaration by the shareholders, over and above the interim dividend at the forthcoming AGM are mentioned in the Directors' Report under 'Financial Highlights'. Further, the details of significant changes (that is, change of 25% or more as compared to FY2021-22 in the key financial ratios) along with detailed explanations thereof forms part of the Financial Statement.

Key Financial Ratios

The details of significant changes (that is change of 25% or more as compared to FY2021 in the key financial ratios) along with detailed explanations thereto is placed below:

S. N.	Name of Ratio	Formula	Unit	FY 2022	FY 2021	% Change	Reason for change more than 25%
1.	Debtors Turnover Ratio	Average Account Receivables/ Revenue from Operations	No. of Days	32	39	22.22	Reduction in collection period is due to decrease in average receivable as compared to increase in revenue from operations.
2.	Inventory turnover Ratio	Average Inventory/ Operating Expenses	No. of Days	11	19	62.38	Improvement is due to decrease in average inventory in the current year as compared to previous year
3.	Current Ratio	Current Assets / Current Liabilities	Times	1.32	1.22	8.03	-
4.	Debt -Equity Ratio	Debt / Total Shareholders' Equity	Percent age	-	-	-	As Debt Equity ratio is nil, interest coverage ratio is not applicable.
5.	Operating Profit Margin (%)	(PBIT-Other Income) / Turnover	Percent age	5.06	6.95	(27.19)	Overall effect of increased industry competition, resulting in lower profitability. Further, one time impact due to one time provisions net of one time claims received being higher in current year than previous year.
6.	Net Profit Margin (%)	Net Profit / Total Income	Percent age	7.58	7.78	(2.56)	-
7.	Return on Net Worth	Net Profit / Average Net Worth	Percent age	12.06	9.44	27.69	Due to increase in the quantum of net profit as compared to the increase in the quantum of average net worth

During FY 2021-22, the Company has complied with the guidelines prescribed by the Accounting Standards while preparing the financial statements (standalone and consolidated), and no deviation has been made in the reporting of the financial information.

OPERATIONAL PERFORMANCE

SECTORAL PERFORMANCE

During FY2021-22, around 92% 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 7% revenue and remaining from other areas such as electrical and building works.

SECTOR WISE PERFORMANCE:

(₹ in Crore)

Sectors	FY2022		FY2021		FY2020	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	6387.72	92.44	4215.21	85.05	4128.21	79.35
Highways	496.92	7.19	718.56	14.50	953.17	18.32
Others	25.51	0.37	22.16	0.45	121.07	2.33
Total	6910.15	100	4955.93	100	5202.45	100

SEGMENT WISE PERFORMANCE:

(₹ in Crore)

Sectors	FY2022		FY2021		FY2020	
	Total Income	%	Total Income	%	Total Income	%
Foreign	480.43	6.95	582.13	11.75	443.35	8.52
Domestic	6429.72	93.05	4373.80	88.25	4759.10	91.48
Total	6910.15	100	4955.93	100	5202.45	100

PROJECTS UNDERTAKEN DURING FY2021-22

Ministry of Railways had earlier changed its policy of awarding work on nomination basis to railway PSUs, the Railway works were being awarded by bidding process among railway PSUs. Later, in October 2021, the Ministry of Railways has revoked this policy of competition amongst the PSUs and open tendering has been introduced for awarding Railway works. IRCON participated in various tenders including railways on competitive bidding and has been awarded the work amounting to approx. ₹16180 Crore on competition as well as on nomination basis.

IRCON's order book, as on March 31, 2022, stood at ₹43758 Crore (approx.) with ₹34475 Crore value of work in Railways section and ₹7312 Crore value of work in Highway section.

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

UPCOMING PROJECTS

IRCON has around 52 ongoing projects in its portfolio. Out of which, five are located in international markets in Algeria, Bangladesh, Nepal, Sri Lanka and Malaysia and remaining projects are in the domestic market.

Order Strength:

The Company has access to sufficient liquidity for its operations and also its strong order book of approximately ₹43758 Crore provides sufficient cashflow visibility.

RESPONSE TO COVID-19

The coronavirus (COVID-19) has created the biggest global crisis, sending shock waves through health systems, economies, and societies around the world. It continues to impact key geographies that we operate in, with almost all countries are reporting second wave of infections. During the beginning of FY2021-22, due to COVID 2.0 certain restrictions such as closing of borders and lockdown restrictions, were imposed by the government, however, it did not materially impact the normal operations of the Company.

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

establishing COVID care centers, vaccination centers, and providing them access to medical care facilities.

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

STRENGTHS

Strong Order Book: The Company has outstanding executable order book of more than ₹43,700 Crore as on 31.03.2022. This order book gives revenue visibility of more than 6 years, which shows great stability of the business.

Debt Free Company: IRCON is technically debt free company. It has borrowing of ₹1230 Crore as on 31.03.2022, which is actually a pass-through entry and ultimate liability lying with Ministry of Railways including interest payable.

Sturdy Cash Position: IRCON has cash and bank balance of ₹5340 Crore as on 31.03.2022, out of which almost 20% is its own cash. The cash and bank balance of the Company constitute almost 42% of the total assets, which is very rare in infrastructure sector.

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

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

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

One Stop Solution (C2C): The Company provides one stop solution to its clients. It undertakes projects from concept to commissioning.

OPPORTUNITIES

Government thrust on Infrastructure: Government is committed to develop infrastructure and coming with various policies. There is huge potential in infrastructure sector. Being one of the major players in infrastructure sector, there is great opportunities available in the sector.

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

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

THREATS

Increase in competition in core sector of IRCON: Considering changes in Government policies & huge potential in sector, now IRCON has to compete with other PSUs as well as private companies to secure the orders.

High volatility in Commodity Prices: Due to geo political reasons and war situation arisen in Russia and Ukraine, we have observed high volatility and sharp increase in commodity prices such as oil, ferrous and non-ferrous metals, cement etc. which may impact profitability of the company in the short to medium term.

Expectation of Global Slowdown: In the recent time, inflation is going up and in some of the countries it is on multi decade high. To cop up with high inflation, central banks of all over the world are taking aggressive steps. In this inflationary environment, there is menace of global slowdown, which may negatively impact to infrastructure sector.

Recurrence of Covid-19: Recent resurgence of covid cases in China, India and some of Europe countries has again increased risk of putting restrictions to curb the pandemic. Growth of the sector will depend upon the covid situation emerge in the coming time.

FUTURE OUTLOOK

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

We are confident that various infrastructure initiatives decreed by the Government of India will help us in fostering our future growth. We believe that we are well positioned to execute projects under these modes due to

our strong technological capabilities and sound financial position. With sound experience and solid performance, we expect to see steady growth in our business with a rise in the number of projects that we undertake and improved profitability margins from these projects, for which our strategies are as follows:

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

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

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

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

Active Focus of New Projects: IRCON's business growth is attributed principally to an increased bidding activity to procure large projects 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 capitalize on its advantageous position over its competitors, both in terms of proficiency and financial position to undertake large-high-quality projects driven by the growth of the Indian economy. The various initiatives promulgated by the Government of India will help in continuing the growth momentum for the Company.

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

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

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

Attract and Retain Talent Pool: IRCON recognizes the importance of its talented employees and the role they play in the Company's success. It relies on them to operate the modern construction equipment, complete various tasks on its complex construction projects, and deliver quality performance to its clients on a demanding time line. With an efficient human resource system, IRCON continues to focus on improving health, safety, and environment for its employees. It intends to further strengthen its workforce through regular on-job skill development and training programs. Additionally, IRCON aims to provide a congenial and safe working atmosphere to its women employees. In addition to these efforts, IRCON also intends to maintain a relatively low employee attrition rate and retain more of its skilled workers for its future expansion. This is done by providing better overall benefit packages and a safer and healthier working environment.

STRATEGIC MOUs AND ALLIANCES

Your Company enters into various strategic MOU to explore new business opportunities. In the FY 2021-22, IRCON has entered into an MOU with SYSTRA MVA Consulting (India) Private Limited for collaborating and cooperating with each other to explore, identify, pursue and jointly execute mutually beneficial business opportunities of Detailed Design & Project Management Consultancy for Tunnelling Projects (either by NATM or TBM technology) in Railway, Metro rail & Highway sectors (Project Opportunities) in India. The Company has also signed an MOU with GMR Airports (Singapore) Private Limited to collaborate and cooperate with each other in exploring, identifying, pursuing and jointly executing mutually beneficial business opportunities on EPC basis in sectors such as Railways, Highways, Metro Railway, Tunnels & Airport in ASEAN region, especially in Philippines, Indonesia, Vietnam, Cambodia & Laos PDR and Airport projects in Bangladesh and Sri Lanka. Another MOU with EdCIL India Limited was signed to prepare and submit Proposal for "Construction of Select Health Facilities in 75 Districts in Uttar Pradesh, India, using Prefab technology" under National Health Mission, Uttar Pradesh.

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

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

RISK MANAGEMENT

IRCON recognizes that it is exposed to several uncertainties, which are inherent for the construction

sector that it operates in. The volatility of this sector exposes the business to various external and internal risks, which may affect the financial and non-financial results. IRCON values the benefits of an integrated approach to risk management and it has an elaborate Enterprise Risk Management (ERM) framework in place. IRCON is having Risk Management System since 2007 and the Risk Management Policy (RMP) was framed first time in the year 2013 and, as per the changing business environment and to comply with the regulatory requirements it was from time to time. Hence, to impart a greater level of awareness regarding organization wide risk management, thereby ensuring wider participation and thus creating a sustainable risk awareness culture in the organization, the RMP was last amended and approved by the Board in December 2021. 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.

The primary functions of the RMC are to identify key risk bearing activities; classify the gaps with respect to risk potential as compared to best business practices: Minor; significant or critical, substantial of major; identify gaps in the current business process for any uncovered potential threat; setting up risk assessment control systems; review of risk assessment reports compiled by Rapid Action Group (RAG) and giving directions for improvements, and preparedness of IRCON for potential business; etc. Formulation and review of RMP including framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk; measures for risk mitigation including systems and processes for internal control of identified risks; monitoring, overseeing implementation etc. are also under the scope of RMC.

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 submitted to the Audit Committee for review. With the changes in the Risk Management Policy, identification of new critical risk, monitoring, review, mitigation plan of the critical risks and corrective action are now being done through Online Web Based Risk Management IT Tool, which is put up to the RMC through RAG for review of the Organizational Risk Repository.

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.

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 for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. Company has structured its policies and guidelines for optimal delegation of authority for facilitation of business.

The internal control system has been further strengthened through the following:

Internal Financial Control (IFC)

The Company has adequate Internal Control over Financial Reporting (ICFR) in compliance with the provisions of the Companies Act, 2013 which were operating effectively. The controls have been designed 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 ICFR, is periodically reviewed, and necessary changes are carried out to align with the changing business requirements. The management discloses all financial information needed for a proper understanding of the Company's finance and its operations.

Internal Audit

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

The Company has its own developed and approved Internal Audit Framework which defines the scope of Internal Audit and covers overall financial accounting and financial reporting system including tender and allied matters, project execution, procurement of material, plant & machinery, sub-contracting, statutory compliances etc. 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.

Additionally, IRCON has in place an organizational chart and a system of delegation of power which has been updated timely. Further, 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.

QUALITY, SAFETY, HEALTH AND ENVIRONMENT STANDARDS

IRCON is an ISO certified Company for Quality, Environment, and Occupational Health and Safety Management Systems. 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 and Occupational Health and Safety Management System in accordance with ISO 45001:2018.

QUALITY

IRCON is a pioneer Public Sector Organization in adopting the Quality Management System Certification in the domestic as well as International Markets. Quality Management System (QMS) has been successfully sustained and continually improved since 1996 when the Company as a whole was first certified for ISO: 9002-1994 by TUV SUD Private Limited. We have continued the certification and sustained the system as per the latest version of Quality Management Standards, i.e. ISO: 9001-2015 (by periodical re-certification audit after the expiry of every three years). Latest re-certification audit was conducted in 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. upto March 2023.

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

In view of COVID-19 pandemic, the Company continued the initiative of sharing technical knowledge by adopting digital platform (i.e. Google Meet, Microsoft teams etc.) on the topics like concrete sensors, helical piles, rigid geocells, tunnel drainage & rockfall protection, track fastenings & latest track peripherals, BIM Solutions, Water proofing solutions and many more technical as well as technological solutions prevailing in the core competence of the organization i.e. railways, highways, tunneling & other infrastructure projects.

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

The Company nominates Quality Officers for major Indian projects to monitor QMS at their respective

projects, and the same is also incorporated in General Conditions of Contract (GCC) of the Company for implementation of Quality Management Standards by the Contractor while carrying out the work.

Corporate Quality Council and Project Quality Council meetings are being conducted quarterly at Corporate Office and at projects site to review the implementation of Quality Management System (QMS). The Quality objectives are being measured and reviewed both at the Corporate Office and at the Project levels. In view of the COVID-19 pandemic all the Internal Quality Audit, as well as Quality Assurance Audit, were conducted on virtual platform in coordination with the project and Corporate Office. Reports of these audits provide not only details of non-conformities encountered during the audit but also the salient features of the project, including progress, positive points if any and areas requiring improvements.

SAFETY HEALTH AND ENVIRONMENT MANAGEMENT (SHE)

The Company established an Environment Management System (EMS) and was certified for ISO: 14001-2004 in October 2011. The latest re-certification audit for ISO14001-2015 was conducted in January 2020 whereby the Company has been re-certified for another three years, i.e. upto February 2023. IRCON is certificated with ISO: 45001-2018 having validity upto December, 2024.

During COVID-19 Pandemic, the Company follows the Precautionary measure/Guideline issued by the Government from time to time. Also taking fast initiative to prevent the spread of COVID-19 in work space by implementing monitoring equipment like thermal scanners, Arogyasetu app, automatic sanitization machine, paper disinfection machines etc. The Company has also initiated a vigilant vaccination drive for their employees and other stakeholders for maintaining the highest standards of Occupational Health and Safety.

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

In addition to this, document like Emergency preparedness plan, SHE matrix, PPE Matrix, Safety and Environmental checklists are also readily available on IRCON intranet.

During the year 2021-2022, IRCON received Greentech Safety Award for "Outstanding Achievement in Construction Safety".

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. upto 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, Gurugram 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.

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

HUMAN RESOURCES

IRCON acknowledges that its employees are the primary pillar of its success and play a key role in protecting values and culture of the organization. It believes in driving its organizational 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 recognizes 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.

The Company takes pride in its highly motivated and competent human resource and its contribution. The total employee strength of our company stood at 1278 as on March 31, 2022 which included 954 regular employees, 28 employees on deputation, 259 on contractual, 34 consultants / advisors and 03 on fixed tenure basis.

The attrition rate during FY 2021-22 has reduced and stood at 6.84% in comparison to 7.85% during last year.

EMPLOYEE PRODUCTIVITY

There has been a steady growth in the employee productivity over the past 5 years. The total income of the Company for FY2021-22 is ₹7181 Crore. The overall income per employee for FY 2021-22 stood at ₹5.62

Core as compared to ₹4.01 Core in FY2020-21.

Recruitment

To maintain its competitive advantage, the Company is determined to induct the best and talented manpower across the hierarchy through various modes viz. fresh Graduate Engineers, Professionals, Management Trainees, induction of experienced personnel from the open market, on deputation and on an absorption basis from other Government departments and Railways, hiring of retired staff and on third-party payroll. The Company has adopted best recruitment practices for providing equal opportunities and a harmonious environment for the advancement of SC, ST, OBC, Minorities and women employees. These policies indicate the open and innovative mind-set of the management with a strong emphasis on becoming "Equal Opportunity Employer". The Company re-engineers its recruitment strategies to align them with the broad goals of the Company.

During FY 2021-22, 31 employees were recruited on a full-time basis while 135 were recruited on contractual basis including service contract, as a policy of inclusive employment, 63 of those inducted belong to the SC/ ST/ OBC/EWS category. The Company has also implemented EWS reservation with 5 EWS category employees being inducted. A selection process for tenure-based appointments has also been initiated. In addition to the open market recruitment, campus recruitment was also done from premier institutes like ICAI and ICAI.

Deputation

To meet its continuous need for trained and experienced manpower, especially in view of project requirements, experienced and trained manpower is inducted from Indian Railways and other Government departments on deputation on a fixed tenure basis. During the year, 15 personnel were inducted on deputation, bringing the total manpower on deputation to 28.

Training and Development

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

Considering the Training and Development as a high focus area, employees are being trained in various domains such as Contract Management, Arbitration, Project Management, Managerial Effectiveness, Negotiations, Business Development and Strategy, Risk Management etc. During the year, 211 man-days of training was imparted, which covered around 252 employees, which included programs like Training Programme for IOs/POs, Training on usage of GeM Portal, Course on Preventive Vigilance, Health Lecture for Female Employees, Lecture on Prevention of Sexual Harassment at Workplace, Courses on ERP functions, Training on IRIS Certification, virtual training programs and many other behavioral, technical, non-technical internal and external training, seminars, workshops were

imparted from 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.

Career Progression

The promotion policy of the Company is robust and time tested. It provides the best opportunities to the deserving employees for career progression and succession planning. Consistent with merit, suitability, performance and professional attainments commensurate with the business needs of the organization, the employees are promoted to senior positions. In Departmental Promotion Committee (DPC) 2021, a total of 135 were promoted in the executive category, and 09 in the non-executive category were promoted.

Performance Management System

The Company is having a Performance Management System which is IT enabled and linked with Performance Related Pay (PRP). The PRP system helps in capturing the different components of performance of the employee under heads such as company performance, team performance and individual contribution in achieving the Company's annual objectives. The emphasis on team performance motivates the employees to work together with synergy and cohesiveness to achieve team objectives, resulting in attaining long-term goals of the Company of Minimum Wages, etc., additional benefits have been incorporated in the policies such as personal healthcare (regular medical check-ups), reimbursement of prolonged treatment expenses, availability of Allopathic, Homeopathic doctors and facility of alternative therapy, recreational activities like gym facility, provision of free tea/coffee through vending machines, and merit.

Use of Information Technology Tools

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

Motivation, Awards and Recognition

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

Employee Welfare

During the service, employees have been granted liberal perks, allowances and facilities in terms of monetary and non-monetary benefits such as transportation, housing, leased accommodation, subsidized food and medical facilities. The primary objective is to enhance their quality of life. Thus, the Company has implemented various schemes to improve the overall welfare of its employees.

Apart from incorporating the statutory benefits such as Maternity & Adoption Leave, First Aid Facility, Payment of scholarship cash awards to wards of employees for education and for pursuing higher education, funeral expenses, resort facility, etc.

Employee Assistance Programs in the form of training, advances, house lease policy to provide better living conditions, relief from distress to employees suffering from prolonged illnesses such as TB, leprosy, cancer, mental diseases or any other terminal disease, when on leave without pay, and supply of artificial limbs when necessary to staff below the Executive-I category are in practice.

Periodic gifts like superannuation gifts, gift for employee's marriage and his/her ward's marriage, birthday gift, picnic gift, Diwali gift and Annual Day gift, etc. are granted to enhance a sense of belongingness among employees and the Company.

Liberal superannuation benefits consisting of Provident Fund, Gratuity, Pension and Post-Retirement Medical Scheme are in vogue. These schemes while working as a retention tool also provide social security to employees. Funeral expenses are provided in case of unfortunate death of an employee and death of a dependent (for spouse or children) of Group-D (Non-Executive Cluster I) staff, and ex-gratia on death/ permanent disablement of an employee while in service is provided to the dependent family members. As a measure to provide social security to the family members, liberal insurance covers in the form of personal accident insurance policy, term plan and savings-linked insurance have been taken for employees to take care of unforeseen situations.

A 24X7 helpline service has been started in April 2014 in which dedicated mobile numbers (area-wise) are available to support any employee in case of any exigency.

Women Development

The Company has adopted best practices to ensure equal opportunity and provide a harmonious environment for the advancement and growth of women employees by conducting several programmes on gender issues, sexual harassment and conducive working conditions. At the same time, opportunities are given to women employees to participate in meetings, project works, and committees, etc. to foster the practice of equal opportunity without any gender bias. The management has always been pioneering in adopting practices and creating an environment where women feel stronger, confident and empowered to take decisions. To provide safe and secure working ambience to its women employees, a committee for Prevention of Sexual Harassment at Work Place (POSH) is in place.

E-Grievance Redressal

To promptly address and resolve employee grievance fairly and equitably e-grievance re-dressal system is present in the Company wherein employee can submit their grievance online and see the replies and live status of the grievance. The employees can raise grievances online through the Employee Self Service (ESS) Portal. Any member of public or ex-Employee of the Company can also submit their complaint through the Company website. In addition, online grievances can be made to the Ministry of Railways through the Centralized Public Grievance Redress & Monitoring System (CPGRAMS) portal.

Whistle Blower Policy

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

CONTRIBUTION TO GOVT. OF INDIA INITIATIVES

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

PROMOTING MSMEs

Being a CPSE, the Company's procurement policy and practices are guided by the Government policies and practices, including CVC Guidelines. These are based on transparent procurement mechanism, which also promotes procurement from local and small producers

and suppliers. IRCON is procuring goods and services as per Public Procurement Policy, 2012 from MSEs. Accordingly, purchase preference is given to those small producers quoting their price within the price band as prescribed by the Company. The Company has also adopted fair, equitable and transparent tendering procedures to encourage Indian bidders and suppliers. Furthermore, Vendor Development Programme for MSEs is also organised by the Company to bring more awareness among MSEs and increase their participation.

During the FY 2021-22, the Company has procured items valuing ₹181.24 Crore from MSEs vendor against the expenditure valuing ₹600.09 Crore towards materials /stores. Therefore, during the FY 2021-22, your Company has achieved 66.92% of net procurement valuing ₹270.85 crore after excluding the value of items beyond the the scope capacity of MSEs in compliance to the procurement policy.

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/-
(Yogesh Kumar Misra)
 Chairman & Managing Director and CEO
 (DIN: 07654014)

Date: August 08, 2022
 Place: New Delhi

BOARD'S REPORT

To the Members,

The Board of Directors of your Company take pleasure in presenting the 46th Annual Report on the business and operations of the Company, along with summary of financial results and key highlights on the financial performance of your company for the year ended March 31, 2022.

FINANCIAL RESULTS

(₹ in Crore)

PARTICULARS	STANDALONE			CONSOLIDATED		
	FY2021-22	FY2020-21	%age CHANGE	FY2021-22	FY2020-21	%age CHANGE
Financial Results						
Total Income / Turnover	7181	5200	38.09	7586	5506	37.78
Total Operating Income / Turnover	6910	4956	39.43	7380	5350	37.94
EBIDTA	648	614	5.54	853	693	23.09
Profit Before Tax	610	574	6.27	689	578	19.20
Profit After Tax	544	405	34.32	592	391	51.41
Net Worth	4621	4406	4.88	4667	4403	6.00
Appropriations						
Dividend (Final & Interim)*	235.13	221.02	6.38			
Earnings per share (in ₹) #	5.79	4.30	34.65	6.30	4.16	51.44

Notes:

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

After issue of Bonus Shares in the ratio of 1:1, in May 2021.

FINANCIAL HIGHLIGHTS

Despite aggressive competition, volatile market conditions and impact of COVID-19 on the business scenario, your Company has achieved its highest ever total income of ₹ 7181 Crore during FY2021-22 as compared to ₹ 5200 Crore in FY2020-21, showing a quantum jump of approximately 38%.

The operating turnover of the Company for FY2021-22 has also shown a substantial increase of 39.43% and stood at ₹ 6910 Crore, as compared to ₹ 4956 Crore in FY 2020-21. With higher order book and faster execution of the projects there has been a significant increase in the turnover of the Company.

Profit Before Tax (PBT) for FY2021-22 stood at ₹ 610 Crore thereby showing an increase of 6.27% as compared to ₹ 574 Crore in FY2020-21. Profit After Tax (PAT) has registered a growth of 34.32% to ₹ 544 Crore in FY 2021-22, as against ₹ 405 Crore in FY 2020-21.

The Net Worth of your company has increased by 4.88%

from ₹ 4406 Crore in FY 2020-21 to ₹ 4621 Crore in FY2021-22, and earnings per share in FY 2021-22 stood at ₹ 5.79 per share (after issue of Bonus Shares in the ratio of 1:1, in May 2021).

DIVIDEND

The Company is focused on enhancing shareholders value and has a track record of paying dividend consistently since its beginning phase.

During the FY 2021-22, the Board of Directors had declared and paid interim dividend thrice, totaling to ₹ 1.85 per equity share on the face value of ₹ 2/- per share amounting to ₹ 174 Crore (approx.) which is approximately 92.50% of the paid-up share capital of ₹ 188.10 Crore of the Company. All these interim dividends have been declared out of the profits of the Company as per the unaudited financial results for the three quarters ending June, September and December 2021.

BOARD'S REPORT

The Board has further recommended an additional dividend of ₹ 0.65 per equity share on the face value of ₹ 2/- each amounting to ₹ 61.13 Crore (i.e. 32.50% of the paid-up share capital of ₹ 188.10 Crore), out of profits of the Company for the FY 2021-22, which is subject to the approval of the shareholders.

With this, the total dividend for the FY2021-22 would aggregate to ₹ 235.13 Crore (approx.) (i.e. 125% on the paid-up equity share capital of ₹ 188.10 Crore), which works out to 43.20% of the post-tax profits of FY2021-22 and 5.09% of net worth of the Company as on March 31, 2022. After approval and payment of the proposed dividend, the cumulative dividend paid to shareholders up to FY2021-22 will stand at ₹ 2374.47 Crore (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 Sector Enterprises"

SHARE CAPITAL & DISINVESTMENT OF SHARES

As on March 31, 2022 the paid-up and subscribed equity share capital of the Company stood at ₹ 188.10 Crore comprising of 94,05,15,740 equity shares of face value ₹ 2/- each. During the year, the paid-up share capital of the Company was increased from ₹ 94.05 Crore to ₹ 188.10 Crore due to issuance of fully paid bonus shares in the ratio of 1:1 i.e. one (1) new fully paid-up equity share of ₹ 2/- each for every one (1) existing equity share of ₹ 2/- each, which was approved by the members of the Company through Postal Ballot. The record date for this purpose was May 21, 2021 and the shares were allotted on May 23, 2021. After receipt of in-principle approvals from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on May 25, 2021, corporate action of credit of bonus shares was completed on June 1, 2021.

The shareholding of the Promoter of the Company i.e. the President of India stood at 73.18% of the total paid-up equity share capital of the Company, as on March 31, 2022. IRCON is compliant on the Minimum Public Shareholding (MPS) requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulations) Rules, 1957.

Based on the market price of Ircon International Limited (IRCON) as on March 31, 2022, it is placed in the top 1000 listed companies. As on March 31, 2022, the market

capitalization of your Company stood at ₹ 3743.25 Crore.

The Government of India had disinvested 10.53% of the paid-up equity share capital of the Company in the FY 2017-18, by way of Initial Public Offering (IPO). Further, 16% of the paid-up equity share capital of the Company was disinvested in the FY 2020-21, by way of Offer For Sale (OFS) through Stock Exchange mechanism. The total proceeds from these two disinvestments to the Government of India was ₹ 1144 Crore.

DEMATERIALIZATION OF SHARES

As on June 30, 2022, all the shares (except only 5607 shares in physical form) are held in dematerialised form and the details of the dematerialisation of shares are provided in the Corporate Governance Report.

TRANSFER TO RESERVES

Appropriations to retained earnings for the financial year ended March 31, 2022 were ₹ 214.54 Crore after proposed final dividend of ₹ 61.13 Crore and Bonus issue of 1:1 amounting to ₹ 94.05 Crore

CAPEX AND LIQUIDITY

During the year under review, the Company on a standalone basis spent a sum of ₹ 4.86 Crore on capital projects across domestic and foreign projects; which includes for constructing a building of ₹ 0.07 Crore; for acquiring Plant & Machinery of ₹ 1.35 Crore and ₹ 3.44 Crore for acquiring other assets. The Company's liquidity position remains strong at ₹ 5340 Crore as on March 31, 2022, comprising of ₹ 1206 Crore in cash and cash equivalent and ₹ 4134 Crore in other bank balances which includes client fund of ₹ 3291 Crore and Project Fund of ₹ 1010 Crore.

The Company has also invested ₹ 212.84 Crore in the equity / quasi-equity of its subsidiaries and joint venture companies during the FY2021-22, which stood at ₹ 1421.68 Crore as on March 31, 2022.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned a foreign exchange of ₹ 521.26 Crore during FY2021-22 as compared to ₹ 561.03 Crore earned during FY2020-21. The foreign exchange outgo stood at ₹ 467.10 Crore during FY2021-22 as compared to ₹ 515.55 Crore during FY2020-21. Thus, the net foreign exchange earnings have increased by 19.09%, i.e. from ₹ 45.48 Crore in FY2020-21 to ₹ 54.16 Crore in FY2021-22.

BOARD'S REPORT

IRCON GROUP PERFORMANCE

During the year under review, IRCON along with its subsidiaries ('the Group') on a consolidated basis has recorded highest ever total turnover of ₹7586 Crore (previous year: ₹5506 Crore). The Group has registered a quantum jump of 37.94% in operating turnover to ₹7380 Crore (previous year ₹5350 Crore). The Group reported a consolidated profit before tax of ₹689 Crore (previous year ₹578 Crore) and profit after tax of ₹592 Crore (previous year: ₹391 Crore), both registering increase of 19.20% and 51.41%, respectively.

The Group EBITDA was ₹853 Crore (previous year: ₹693 Crore), an increase of 23.09% over the previous year.

During the FY 2021-22, in terms of the financial performance, the Company has achieved and crossed the Turnover targets criteria of ₹6261 Crore (on Consolidated basis) set up by the Ministry of Railways in terms of the Memorandum of Understanding based on the DPE guidelines.

IMPACT OF COVID-19

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

The Company has initiated several measures to help its employees and their families, including establishing COVID care centers, vaccination centers, and providing them access to medical care facilities. The Company has also taken various initiatives towards implementation of all precautionary measures to deal with the pandemic. During the FY 2021-22 the Company had made a contribution of ₹1.14 Crore towards Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

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

FINANCIAL STATEMENTS

(STANDALONE AND CONSOLIDATED)

The Board of Directors of the Company has, at its meeting held on May 27, 2022, had approved the Financial Statements for FY2021-22 (Standalone and Consolidated).

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements a) as per line-by-line method for its wholly-owned subsidiaries viz. Ircon

Infrastructure & Services Limited (IrconISL), Ircon PB Tollway Limited (IrconPBTL), Ircon Shivpuri Guna Tollway Limited (IrconSGTL), Ircon Davanagere Haveri Highway Limited (IrconDHHL), Ircon Vadodra Kim Expressway Limited (IrconVKEL), Ircon Gurgoan Rewari Highway Limited (IrconGRHL), Ircon Akloli-Shirsad Expressway Limited (IrconASEL), Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL), Ircon Bhoj Morbe Expressway Limited (IrconBMEL), & Ircon Haridwar Bypass Limited (IrconHBL) and subsidiary company viz. Ircon Renewable Power Limited (IRPL); and b) as per equity method for seven joint venture companies viz. Ircon-Soma Tollway Private Limited (ISTPL), Indian Railway Stations Development Corporation Limited (IRSDC) [not on a going concern basis], Chhattisgarh East Railway Limited (CERL), Chhattisgarh East-West Railway Limited (CEWRL), Jharkhand Central Railway Limited (JCRL), Mahanadi Coal Railway Limited (MCRL) & Bastar Railway Private Limited (BRPL). The accounts of unincorporated joint ventures have been included in the standalone financial statements for the FY 2021-22.

IRSDC has received a letter from Ministry of Railway dated October 18, 2021 for closure of business and transfer / hand over of its business /assets. Accordingly, all assets and liabilities of IRSDC (other than its investment in its subsidiary companies viz., Gandhi Nagar Railway and Urban Development Corporation (GARUD) and Surat Integrated Transportation Development Corporation Limited (SITCO) as on March 31 2022, are to be transferred to Rail Land Development Authority (RLDA) / Ministry of Railways (MoR) on slump sale basis for a consideration not less than the book value. Till such time, the slump sale is approved by the competent authority (i.e. IRSDC/ RLDA/MoR), IRCON continues to apply equity method for consolidation purposes.

The Company would make available its audited financial statements (standalone and consolidated) / financial statements of its eight subsidiaries (IrconISL, IrconPBTL, IrconSGTL, IrconDHHL, IrconVKEL, IrconGRHL, IrconASEL & IrconLRHL) at its website (www.ircon.org). Other three subsidiary companies viz. IrconBMEL, IrconHBL & IRPL are incorporated after 31.12.2021 therefore, their first financial year will end on March 31, 2023; hence, the audited financial statements of these three subsidiary companies will be placed on the website of the Company from the FY 2022-23 onwards.

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

BOARD'S REPORT

In view of the ongoing COVID-19 pandemic, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Notice of AGM, 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. These relaxations have been extended upto December 31, 2022, by MCA and SEBI vide their circulars dated May 05, 2022 and May 13, 2022, respectively.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, as required under Regulation 34 read with Schedule-V to the Listing Regulations and DPE Guidelines, is annexed to the report 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 Company overview, its legal status and autonomy, business divisions / units, financial and operational performance, projects undertaken in FY 2022 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.

EXTERNAL ENVIRONMENT

MACROECONOMIC CONDITIONS

Spread of Coronavirus (COVID 2.0) and subsequently Omicron variant disrupted the economy, resulting in devastating effects on businesses, financial institutions, and industrial establishments worldwide, in the beginning of the FY2021-22. Further, global economic prospects have worsened significantly largely because of Russia's invasion of Ukraine causing a tragic humanitarian crisis in Eastern Europe and the sanctions aimed at pressuring Russia to end hostilities. In addition to the war, frequent and wider-

ranging lockdowns in China including in key manufacturing hubs have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

On the fiscal side, policy space was already eroded in many countries by necessary COVID-related spending. Debt levels have risen significantly, and extraordinary fiscal support was expected to be removed in 2022-23. The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil- and food-importing emerging market and developing economies.

The war has also increased the risk of a more permanent fragmentation of the world economy into geopolitical blocks with distinct technology standards, cross-border payment systems, and reserve currencies. Such a tectonic shift would entail high adjustment costs and long-run efficiency losses as supply chains and production networks are reconfigured. It also represents a major challenge to the rules-based framework that has governed international and economic relations for the last 70 years.

Commodity prices surged during the first quarter of 2022, reflecting the effects of the war in Ukraine as well as continued growth in demand and various constraints on supply. Amid concerns about the war's disruptive effects on commodity supply, the increases in prices were particularly pronounced for commodities where Russia and Ukraine are large exporters, particularly energy, fertilizers, and some grains and metals. These developments have added to a broad-based rise in commodity prices that began in mid-2020 with a surge in demand driven by receding concerns about the COVID-19 pandemic. Demand for commodities rebounded as the global economy recovered, while commodity production increased more slowly, weighed down by several years of weak investment in new production capacity as well as various supply disruptions.

ECONOMIC OUTLOOK

International Monetary Fund (IMF) has reduced its GDP projections for India in World Economic Outlook (July 2022) to 7.4% in 2022 and 6.1% in 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than the forecast made in January, 2022 by IMF. The downgrade largely reflects the war's direct impacts on Russia and Ukraine and global spillovers. Beyond 2023, global growth is forecast to decline to about 3.3% over

BOARD'S REPORT

the medium term. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026.

Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging market and developing economies which is 1.8% and 2.8% points higher than the projected in January. Global growth is expected to slow significantly in 2022, largely as a consequence of the war.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2022, India's real gross domestic product (GDP) growth in 2021-22 was 8.7%. This works out to 1.5% above the pre-pandemic level (2019-20). In Q42021-22, real GDP growth decelerated to 4.1% from 5.4% in Q3, dragged down mainly by weakness in private consumption on the back of the Omicron wave.

International Monetary Fund (IMF) has reduced its GDP projections for India in World Economic Outlook (April 2022) to 8.2% in 2022 and 6.9% in 2023, which is 0.8% and 0.2% lower as compared to projections made by the IMF in January, 2022.

ENGINEERING & CONSTRUCTION INDUSTRY

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

Construction industry in India will remain buoyant due to increased demand from real estate and infrastructure projects. Indian Real Estate sector expected to reach a market size of USD 1 Tn by 2030.

Smart Cities Mission launched by the Urban Outcomes Framework 2022, Artificial Intelligence Playbook for Cities & AMPLIFI - Assessment and Monitoring Platform for liveable, Inclusive and future-ready urban India to promote the use of data that addresses complex urban issues. The Smart Cities Mission and World Economic Forum have joined hands to setup a 'virtual hub for collaboration on urban transformations. The hub will leverage emerging technologies and innovations to transform Indian cities into centres of sustainable, inclusive and resilient growth.

India will require investment worth ₹ 50 trillion (US\$ 777.73 billion) across infrastructure by 2022 for a sustainable development in the country. In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral co-operation. The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.

FDI in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at \$26.17 bn and \$26.30 bn, respectively, between April 2000 and December 2021. In March 2021, the Parliament passed a bill to set up the National Bank for Financing Infrastructure and Development (NaBFID) to fund infrastructure projects in India.

INDUSTRY OUTLOOK

As a part of Government thrust on infrastructure and to give further impetus to the implementation of priority programmes of National Infrastructure Prioritization, National Monetization Pipeline and GatiShakti, there has been a renewed thrust on scaling up infrastructure-centric capacity among public officials. Budget 2022 also specified the importance of capacity building, wherein it stated "With technical support from the Capacity Building Commission, central ministries, state governments, and their infra-agencies will have their skills upgraded. This will ramp up capacity in planning, design, financing (including innovative ways), and implementation management of the PM GatiShakti infrastructure projects".

The government has given a massive push to the infrastructure sector by allocating ₹ 10 lakh Crore (US\$ 130.57 billion) to enhance the infrastructure sector in Union Budget 2022-23. The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth ₹ 1.10 lakh Crore (US\$ 15.09 billion) were completed as of 2020. With the goal of developing infrastructure to lower logistic costs and improve the economy, the Hon'ble Prime Minister has announced a ₹ 100 lakh Crore master plan for multi-modal connectivity in October 2021.

Commodity price have increased due to war between Russia & Ukraine, which has adversely affected the industry. Commodity markets are facing an unprecedented array of pressures, lifting some prices to all-time highs, particularly for commodities where Russia or Ukraine is a key exporter.

BOARD'S REPORT

Most commodity prices are expected to be sharply higher in 2022 than in 2021 and to remain elevated in 2023-24 compared to their levels over the past five years. Energy and non-energy prices are forecast to rise by 50 and 20 percent in 2022, respectively, before pulling back somewhat in 2023. Infrastructure sector will improve once the commodity prices will come down.

ORDER BOOK

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

During FY2021-22, despite the change in the policy of MOR by elimination of competitive bidding amongst the eligible PSUs, your Company has secured new works of approx. ₹ 16180 Crore. The order book as on March 31, 2022, stood at ₹ 43758 Crore (approx.) as compared to ₹ 34,689 Crore (approx.) as on March 31, 2021. The major new works include railway electrification, highway project, metro track works, workshops, airports and renewable energy; also civil and track work in prestigious High Speed Railway Project is being implemented for the first time in India. The order book as on June 30, 2022 stood at ₹ 42,066 Crore (approx.). The order book consists of value of works for which execution has not started as yet.

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, production units, station building, multi-function complex, and airports. The diversification of project portfolio across various sectors has helped the company in de-risking its construction business and reduce our dependence on any sector or type of project.

In the coming future, IRCON would be pursuing for projects of High-Speed Rail, NCRTC, NHAI, Indian Railways and

other important and high value projects in India.

NEW INDIAN PROJECTS

During the FY 2021-22, your Company was awarded projects in India for a total value of ₹14400 Crore.

The major projects secured in India through competitive bidding are as follows:

(₹ in Crore)

S. No.	Project Details	Total Value
1.	Design, Supply and Construction of Track and Track related works including Testing and Commissioning on Design-Build Lump Sum Price basis for Double Line High Speed Railway between Zaroli Village at Maharashtra-Gujarat Border (MAHSR Km. 156.000) and Vadodara (MAHSR Km. 393.700) in the State of Gujarat and the Union Territory of Dadra and Nagar Haveli for the Project for Construction of Mumbai-Ahmedabad High Speed Rail (Package No. MAHSR T-2), for National High Speed Rail Corporation Limited (NHSRCL)	5,143
2.	Setting up of 500 MW Grid Connected Solar PV Power Projects in India (Tranche III) under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for Indian Renewable Energy Development Agency Limited (IREDA)	1,960
3.	Design and Construction of Civil and Building Works including Testing and Commissioning on Design Build Lump Sum Price Basis for Double Line High Speed Railway involving Ahmedabad Station, Sabarmati Station, Viaduct & Bridges, Crossing Bridges (excluding fabrication and transportation of Steel truss girders) and Associated works between MAHSR Km. 489.467 and MAHSR Km. 507.599 in the State of Gujarat for the Project for Construction of Mumbai-Ahmedabad High Speed Rail (Package No. MAHSR C-7), for 'NHSRCL'	1,714
4.	Construction of Eight Lane Access Controlled Expressway from Km 69.800 to Km 79.783 (Bhoj to Morbe Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on HAM under Bharatmala Pariyojana (Phase-II-Package-XVII), for National Highways Authority of India (NHAI)	1,436

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S. No.	Project Details	Total Value
5.	Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on HAM under Bharatmala Pariyojana (Phase II-Package XIV) for NHAI	1,124
6.	Construction of Four/ Six lane Greenfield Ludhiana-Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana Bypass under Bharatmala Pariyojana in the State of Punjab on HAM: Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to Kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), for National Highways Authority of India (NHAI)	1,107
7.	Upgradation and Four Laning of Haridwar Bypass Package-1 From Km. 0+000 (Km 188+100 of NH-58) to Km. 15+100 (Km 5+100 of NH 74) in the State of Uttarakhand on Hybrid Annuity Mode (HAM), for NHAI	861
8.	Railway Electrification works for Badarpur - Jiribam, Katakhal - Bhairabi and Badapur - Karimgang - Sabroom Incl Karimgang - Maishasan, Agartala - Akaura and Baraigram – Dullabachera (590 RKM) for North East Frontier Railway (NRF)	659
9.	Supply, installation, testing and commissioning of track works of standard gauge including all associated works in underground and elevated section between Light House Station and POONAMALLE Bypass Station and Poonamalle Depot in Corridor-4 of Chennai Metro Rail Project Phase-2, for Chennai Metro Rail Limited.	337

ONGOING PROJECTS:

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

During the FY 2021-22 following were some of the achievements of on-going major projects in India:

1. In Udampur-Srinagar-Baramula Rail Link (USBRL) project, your Company has completed excavation of

Main Tunnel of longest tunnel T-49 of 12.76 Km on February 15, 2022. Also, excavation of about 11 Km in Main Tunnel of T15 was completed on January 18, 2022. Your Company has also achieved breakthrough blast in Tunnel No. 77D on March 03, 2022, which is 2.65 KM long and is located at Village Bankoot in Ramban District. Execution of Tunnel T77D was very challenging, due to low overburden, extremely poor geology conditions and social challenges as this tunnel crosses the residential area. With the completion of Tunnel T77D, the 15 Km Block section from Banihal to Arpinchala is through for further works.

2. In Sivok-Rangpo Rail Link project, your Company has completed 10.34 excavation of Main Tunnels during the year 2021-22. Your Company has also achieved breakthrough in tunnel no.14 on February 08, 2022 which is 1.96 Km long and is located at Rangpo in Sikkim. The project has a peculiar geometry comprising of 14 tunnels with in between bridges. There is practically no open space on the entire alignment except 4 station yards. The project is of strategic importance with future connectivity to Gangtok and thereafter to Indo-China border (Nathula pass) and has a vital role in meeting the defense requirements.
3. In Hajipur-Bachwara Doubling project, CRS inspection (Commission of Railway Safety inspection) of Hajipur-Akshaywat Rai Nagar (11.5 km) was held on March 24, 2022 and the section was commissioned at a maximum speed of 80 KMPH. CRS inspection of Shahpur Patoree-Sahdei Buzurg (12.41 km) was held on January 07, 2022 and section got commissioned at maximum speed of 90 KMPH. The entire project is likely to be completed by July 2022.
4. In Corridor-I of East Corridor between Kharsia to Dharamjaygarh project in the State of Chhattisgarh being executed through the JV Company, Chhattisgarh East Railway Limited, the Korichhapar to Dharamjaygarh Section of 30 Km was formally opened for operation of Goods train with Diesel traction with only one train system on June 21, 2021. This is the first coal connectivity project where 74 Km (Single Down Line) has been commissioned. Commencement of this section will help in evacuation of coal from North Chhattisgarh Area thereby helping in developing the entire nation. This 74 Km is the first stretch being commissioned under the PPP model. Further, the Gharghoda to Bhalumuda section of 14 Km [Spur Line (Single Line)] also commissioned for Goods train on February 25, 2022.

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Engine Rolling has also been done between Gurda-Korichhapar (Doubling); between Chhal Takeoff Point to Chhal Siding Holding Yard; and between Kharsia-Gurda (doubling) on June 24, 2021, March 31, 2022 and April 25, 2022.

5. In Katni-Singrauli doubling project, for the Katni-Singrauli section of 257 Km, in FY 2021-22, after CRS inspection, 43.33 Km has been successfully commissioned i.e. Deoragram Majhauri section of 8.30 km commissioned at a maximum speed of 90 KMPH on September 07, 2021; New Katni Jn.-Katangi Khurd section of 7.80 Km Commissioned on June 14, 2021; Mahediya-Singrauli section of 5.90 km commissioned on February 11, 2022; and Salhana-Pipriya-Khanna Banjari section of 21.33 km commissioned on February 13, 2022.
6. In the Dedicated Freight Corridor Project, CTP-12, IRCON has set the record of manufacturing and launching the largest precast PSC segmental twin shell box (measuring 18.47 meters in length, 15.8 meters in width and 9.73 meters in height) at Road Over Bridge (ROB) Valsad between Valsad and Pardi Railway Stations, Gujarat. The work started on June 3, 2021 and was completed on June 7, 2021. Your Company has also completed 200 km track linking out of 372 km stretch of this project between Vaitarna-Sachin sections by using imported New Track Construction machine.
7. After the close of the year, on May 30, 2022, the Hon'ble Minister of Railways inaugurated an international standard fully air-conditioned multi-purpose Indoor Stadium at Behala which was constructed by IRCON. This fully air-conditioned multi-purpose Indoor Stadium with state-of-the-art facilities was developed with a seating capacity of about 1,100 in a two-tier viewer gallery. The entire complex is housed in a unique shaped structure of 22 meters in height with a semi-circular dome space frame roof structure having a dimension of 60M x 45M. This is equipped with a dedicated power backup arrangement and parking in the basement of the building besides service lifts and a cafeteria etc.

INTERNATIONAL PROJECTS

Contribution of international projects to the total revenue in FY 2021-22 stood at ₹480.43 Crore as compared to ₹582.13 Crore in the FY 2020-21, and has decreased by approximately 6.95%. In terms of operating profit, the contribution of foreign projects stood at ₹39.51 Crore as compared to ₹34.75 Crore and has increased by 11.65%.

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

New Foreign Projects

The Company was awarded one foreign project in Myanmar i.e. Construction of Road from Paletwa (Myanmar) to Zorinpuri (Mizoram) under Kaladan Multi Modal Transit Transport Project (KMMTTP) on EPC Mode, by Ministry of External Affairs, Government of India on nomination basis, of the total value of ₹1780 Crore.

ONGOING PROJECTS

The Company is executing the following projects in foreign countries:

i. Bangladesh

(a) Khulna-Mongla Port Rail Line project

The Company secured a project in Bangladesh for construction of Khulna-Mongla Port Rail Line for Bangladesh Railway, at US\$ 147.78 million (equivalent to approx. ₹911 Crore), and the revised cost is expected to reach US\$ 182.37 million (equivalent to approx. ₹1349.53 Crore). 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. While the Project was in full swing on all fronts it slowed down again due to COVID waves. Additional scope of work added in 2021 has further delayed Project Completion. The completion tenure is extended upto December 2022, along with the additional scope of work and pending approval for variations.

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

The Company has also signed a contract for providing Technical Advisory Services (TAS) for Construction of New Railway Line from Agartala (India) -Akhaura (Bangladesh) and Project Management Consultancy (PMC) for Construction in Bangladesh Portion with Ministry of External

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Affairs (MEA), Government of India. The construction contractor for the project is appointed by Bangladesh Railways and contract value is BDT 240.9 Crore (equivalent to approx. ₹209.47 Crore). The completion period of the construction contractor is extended upto June 30, 2022 and further time extension upto December 2022 is under process. The overall progress of the project is approximately is 56%.

ii. Algeria

In Algeria, the Company secured a project for installing a double-track line of 93 km in June 2008. The project was awarded by ANESRIF, the National Agency for the Planning and Implementation of Railway Investments, Ministry of Transport, Government of Algeria, at a value of Algerian Dinar 1,628 Crore (equivalent to approx. ₹ 1,003 Crore) with completion date of November 2012. The project involves the construction of the second line and upgradation of an existing line, with a diversion of 10 km from Oued sly to Yellel in Algiers-Oran section 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 (equivalent to approx. ₹ 2,248 Crore).

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

The work of 78 km new track line has been made operational in spite of the cash flow problems of ANESRIF 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 50 km out of 77 km of the existing line, 6 out of 7 station buildings are ready to be handed over, and 8 major bridges have also been completed with the assurance of timely payments. The client has assured uninterrupted payments, which will improve the progress of work and is expected to get completed by December 2023.

iii. Sri Lanka

In Sri Lanka, the Company secured a project for 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 Crore).

Scope of work includes Upgradation of single line Broad Gauge track from Maho-Omanthai of around 128 km length under Traffic Block. The project was awarded in April 2019 with completion period of 36 months (starting from date of receipt of advance payment). The project is financed through EXIM Bank of India as per Indian line of credit. The date of completion of the project as per the contract is November 28, 2022.

The progress is severely hit by COVID-19 pandemic delay in granting traffic closure and prevailing Economic and fuel crisis in Sri Lanka, yet the overall progress of the project is approx. 50%.

iv. Nepal

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

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

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

The revised value of ₹395.94 Crore is under approval of the Ministry of External Affairs.

The overall progress of the project is approximately 84%.

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

The Project involves construction of new BG rail line from Jaynagar (India), Ch. 0.00 Km to Bijalpura (Nepal) with extension upto Bardibas, Ch. Km 68.72. The proposed alignment in Indian portion (2.975 Km) falls in Madhubani district of Bihar State and on the Nepal side (65.745 Km) in Mahottari district.

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

Your Company on behalf of the Government of India has handed over the newly commissioned cross border rail section (Section-1) from Jayanagar (Km. 0.00) to Kurtha (Km. 34.90) to Government of Nepal on October 22, 2021 which was inaugurated through virtual mode by the Hon'ble Prime Minister of India

BOARD'S REPORT

and the Hon'ble Prime Minister of Nepal on April 02, 2022. The first phase of 34.9 Km Jaynagar (India) - Kurtha (Nepal) section is part of 68.72 Km Jaynagar-Bijalpura-Bardibas rail link being built under Government of India grant assistance of NPR 8.77 billion. This section was earlier a narrow-gauge rail link between Jayanagar and Bijalpura. There are 8 stations and halts on the Jaynagar-Kurtha section, which includes the historically important station of Janakpur.

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

v. Myanmar

During FY2021-22, the Company has secured a project in Myanmar in February 2022, for Balance work of Construction of Road from Paletwa (Myanmar) to Zorinpui (Mizoram) (Kaladan Road Project) under Kaladan Multi-Modal Transit Transport Project (KMMTT Project), from the Ministry of External Affairs, on EPC mode at a lump sum cost of ₹ 1780 Crore. With this project, it is intended to open up an alternate route to North-East Region and connect Mizoram with Chin State of Myanmar at Zorinpui. The project has two parts viz (i) Waterway portion from Kolkata to Sittwe by Bay of Bengal and Sittwe to Paltewa by Kaladan River (ii) Roadway Portion i.e. Kaladan Road Project from Paletwa to Zorinpui (109.20 km). KMMTT Project is being executed under grant-in-aid assistance from Government of India to Government of Myanmar. The agreement for the execution of this project has been executed on March 07, 2022 and is to be completed within 40 months from the date of the signing of the agreement.

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. In the year 2014, your Company had acquired 8 plots in different sectors, on leasehold basis for 90 years, at NOIDA and construction activities at these plots have been completed. The buildings are in the process of partial/complete leasing out. The Company has also developed property on a plot located in Sector-32, Gurugram, Haryana, which was procured from Haryana Urban Development Authority (HUDA). The construction of this property also has been

completed. This building is having the state-of-the-art 250 seats auditorium and training center equipped with latest equipment along with an accommodation facility, and has been registered with the trademark authorities in India as 'IRCON INTERNATIONAL TOWER'. The building is in the process of being leased out.

The Company had entered into a Memorandum of Understanding (MOU) on March 26, 2018, with the Rail Land Development Authority (RLDA) for transfer of leasehold rights to IRCON for commercial development on the land parcel measuring 4.3 (four points three) Hectare at Bandra East, Mumbai, Maharashtra, for 99 years against the payment of Upfront Lease Premium. In consideration of its roles and responsibilities, IRCON is entitled to receive from RLDA, a fee for an amount equivalent to 3% (three percent) of the Upfront Lease Premium. The said MOU has expired on March 31, 2021 and is in the process of renewal.

COMPANIES, JOINT VENTURE COMPANIES AND ASSOCIATE COMPANIES

During the FY 2021-22, your company has incorporated four wholly-owned subsidiary companies viz. Ircon Akloli-Shirsad Expressway Limited (IrconASEL) on December 23, 2021; Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL) on December 24, 2021; Ircon Bhoj Morbe Expressway Limited (IrconBMEL) on January 06, 2022 and Ircon Haridwar Bypass Limited on January 13, 2022. All these four wholly-owned subsidiary companies have been formed as Special Purpose Vehicles (SPVs) for domiciling the projects awarded on Hybrid Annuity Mode (HAM) by the National Highways Authority of India (NHAI).

Also, one subsidiary company viz. Ircon Renewable Power Limited (IRPL) has been incorporated as Joint Venture Company and SPV (JV-SPV) on January 13, 2022, with shareholding of 76% held by IRCON. The JV-SPV is undertaking the project of setting up of 500 MW Grid Connected Solar PV Power Project under Central Public Sector Undertaking ("CPSE") Scheme Phase-II issued by Indian Renewable Energy Development Agency Limited (IREDA).

A brief background on the eleven subsidiary companies (including the new companies formed in the FY 2021-22) and seven joint ventures companies of IRCON along with their financials and performance is given at **Appendix-B**.

In terms of the Company's Policy on the determining the "Material Subsidiary" and regulation 24A of the Listing Regulations, for the financial year ending March 31, 2022, none of the subsidiary company is a 'material subsidiary' i.e.

BOARD'S REPORT

whose total income or net worth exceeds 10% of consolidated income or net worth of IRCON in the immediately preceding financial year i.e. March 31, 2021.

COMPLIANCES OF PRESIDENTIAL DIRECTIVES

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

OFFICIAL LANGUAGE

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

- a. Pledge by all employees to work in Hindi completely on last Monday of every month.
- b. Rajbhasha Sanghosthi 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.
- d. Thought of the day and a word in Hindi is displayed at reception, which is contributed by departments daily on rotation basis.

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

COMPLIANCE OF RIGHT TO INFORMATION ACT, 2005

As per the requirements of the Right to Information Act, 2005 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, CSR and projects. The details of RTI cases have been published on Central Information Commission (CIC) website on quarterly as well as on annual basis, and a copy of the same is forwarded to the Ministry of Railways for information.

During the year 2021-22, 168 applications and 27 first appeals were received and at the beginning of the year, 06 applications and 02 appeals were under process for disposal within the allowable time limit (i.e. total 174 applications and 29 appeals during the year). Out of this, 173 applications (including opening balance of 6 applications) and 29 first appeals (including opening balance of 2 appeals) were processed/disposed off. As on March 31, 2022, only 01 application was 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 (Ministry of MSME) under section 11 of Micro, Small and Medium Enterprises Development Act, 2006. IRCON uses Central Public Procurement portal (CPPP) and Government e-Marketplace (GeM) portal for its procurement, which provides facilitation of registration of MSEs firms registered with any statutory bodies specified by Ministry of MSME and participation in e-tender by availing the benefits of exemption from payment of the cost of tender fee and Earnest money. All tenders valuing upto ₹ 200 Crore are invited using national competitive bidding in compliance to Public Procurement (Preference to make in India), Order 2017.

During the FY 2021-22, the Company has procured items valuing ₹ 184.18 Crore from MSE vendor against expenditure valuing ₹ 601.33 Crore towards material, stores & service, thereby achieving 31% procurement from MSEs in compliance with the Procurement Policy. The Company has conducted two national level Special Vendor Development Programme at the Patna Project and Eastern Region Office, Kolkata Project on September 15, 2021.

In compliance with the Micro, Small and Medium Enterprise Development Act, 2006, the Company has on-boarded on the Trade Receivables Discounting System (TReDS) platform, w.e.f. January 25, 2018, to facilitate the financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date.

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HUMAN RESOURCE DEVELOPMENT

IRCON acknowledges that its employees are the primary pillar of its success and play a key role in protecting values and culture of the organization. The organization believes that its success depends on the alignment & performance of its people and in maintaining positive attitude in the workplace and committed to create a comfortable work environment that is collaborative, inclusive, performance oriented and fosters a culture of learning and growth. IRCON's Human Resource (HR) Philosophy is rooted in encouraging employee empowerment, growth and development of individuals by realizing their potential, encouraging innovative ideas and giving performance linked rewards. Its work culture is open and dynamic, enabling employees to take the initiative in jobs with the active support of the top management.

At IRCON, Human Resource Management (HRM) endeavour to employ, retain and develop the right people. HRM constantly work towards creating the best possible working environment that is inclusive, open, diverse, provides equal opportunities for all categories of employees. 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.

During the COVID-19 pandemic, the Company has given its employees the flexibility and remote work option to ensure health, safety and security of all its employees and their families. Multiple initiatives were undertaken to tackle the dynamic situation pertaining to the pandemic and adequate support and medical help was provided to all concerned employees.

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 recognizing merit at all levels and support the development of executives through a structured approach which is woven into the appraisal of the Company. The Company takes pride in its highly motivated and competent human resource and its contribution.

MANPOWER STRENGTH

The total manpower strength of IRCON as on March 31, 2022, stood at 1278, (previous year 1298) which included 954 regular employees, 28 employees on deputation, 293 on contract (including service contract) and 03 on fixed tenure basis. Out of the total 1278 employees of the Company, 1218 are posted on Indian projects and 60 on international projects. Among 1278 employees, 1029 are technically and professionally qualified. There was a total of 66 women employees as on March 31, 2022. 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 181 which included 31 regular employees, 15 employees on deputation, and 135 on contract (including service contract).

RESERVATION IN EMPLOYMENT

The Company continues to give utmost importance to the implementation of the policies and directives of the Government of India in matters relating to reservations in the employment of candidates belonging to Scheduled Caste (SC) / Scheduled Tribe (ST) / other backward classes (OBC) and differently-abled categories. There was a total of 515 SC / ST / OBC and differently-abled employees as on March 31, 2022.

Further, during the FY 2021-22, out of the 31 employees inducted against regular posts, 03 belong to SC / ST / OBC and differently-abled categories. Similarly, out of the 111 employees recruited against the contractual positions, 52 belong to SC / ST / OBC and differently-abled categories.

During the FY 2021-22, training has been given to 252 employees, out of which 78 belong to SC/ST/OBC and differently-abled categories. To ensure the welfare of these employee categories, the Company has appointed Liaison Officers.

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

TRAINING AND HUMAN RESOURCE DEVELOPMENT

IRCON puts a lot of emphasis on development and career progression of employees. Training programs are organised throughout the year. During the FY 2021-22, in-house training programmes across all levels of employees were organised. Professional programmes, workshops, health talks and seminars organised by reputed and prestigious institutes / agencies were carefully identified

BOARD'S REPORT

in line with business needs of IRCON, and suitable officers were nominated for such programmes.

The Company has been continuously taking steps for building capacity of its human resource through training in functional and general management areas, contract and arbitration, leadership, information technology, as well as soft skills. External faculty is arranged wherever required, and officials are nominated for carrying out workshops and seminars with reputed institutes. Employee Development has always been a priority for the Company, and various training and development plans have been initiated from time to time. During the FY 2021-22, a total 211 man-days training was imparted to officials of IRCON through workshops, seminars, conferences, in-house training and training in external institutes.

EMPLOYEE WELFARE

The Company has adequate and robust schemes in place for the welfare of the employees. These are health cover, medical scheme, post-retirement medical scheme, post-retirement pension scheme, periodic health check-ups at regular intervals, allowances, self-lease for residential accommodation, educational scholarships to the wards of employees, a one-time educational grant for admission to professional degrees and diploma courses, educational awards to meritorious children of employees, educational assistance to the wards of deceased employees, assistance for marriage of daughters and dependent sisters of employees in non-executive categories, and resort facilities for employees and their family members on concessional rates through Dalmia and Sterling Resorts.

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

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 policy extends to wholly-owned subsidiary companies of IRCON formed as Special Purpose Vehicles.

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 Internal Complaints Committee (ICC) 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.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Your company is committed to address social, ethical and environmental concerns in which it operates and contribute to develop a sustainable society for future generation, while at the same time fulfilling the expectations of its stakeholders. Over the years, IRCON has identified Corporate Social Responsibility concern and implementing actions and initiatives that leads to positive impact in our Society and environment. The Corporate Social Responsibility & Sustainability Policy (CSR Policy), formulated in alignment with the vision of the company, lays down guidelines and mechanism to be adopted by the company in order to carry out CSR Projects. Our CSR activities extend into the areas of education, employment and skill development, environment sustainability, clean water & sanitization, sports, culture & heritage, rural transformation, and contribution to PM CARES fund setup by the Central Government.

DPE has issued guidelines for CSR expenditure vide O.M. dated December 10, 2018, and May 12, 2021, to CPSEs which inter-alia provide adoption of a theme-based approach for undertaking CSR activities, to spend minimum 60% of the annual CSR allocation for thematic programs and give preference to the Aspirational districts under their CSR. For the FY 2021-22, 'Health & Nutrition' and COVID related activities was selected as a common theme for undertaking CSR activities by the CPSEs for FY 2021-22.

During the year under review, all the CSR activities undertaken were conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact and carried out in partnership with credential implementing agencies. In FY 2021-22, as against the allocated budget of ₹ 10.50 Crore, the Company has spent ₹ 10.52 Crore on CSR activities. During FY 2021-22, the total funds donated to Prime Minister's

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Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) is ₹ 1.14 Crore. The maximum amount of the CSR Budget has been spent on health sector including contribution to the PM CARES Fund. The Company has installed one Oxygen generating plant at Samastipur Railway Hospital and also provided a rain water harvesting system at Delhi Area.

The CSR Policy providing guidelines to conduct CSR activities of the Company is available on the website of the Company www.ircon.org. The Annual Report on CSR & Sustainability activities in terms of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is annexed and forms part of this report.

QUALITY, HEALTH AND SAFETY

QUALITY

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

SAFETY HEALTH AND ENVIRONMENT MANAGEMENT (SHE)

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. IRCON is also certificated for ISO:45001-2018 which is valid upto December, 2024.

ENVIRONMENT MANAGEMENT

The Company established an Environment Management System (EMS) and was certified for ISO: 14001-2004 in October 2011. The latest re-certification audit for ISO 14001-2015 was conducted in January 2020 whereby the Company has been re-certified for another three years i.e. up to February 2023.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND UPGRADATION

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

- a) IRCON has installed a total of 90 KW Roof Top Grid Connected Solar Power Plant at Corporate Office which is a step to conserve energy and contributing to environment through usage of Green Energy. Total energy produced by Solar Power plant is 44,853 units of kWh which is 3.1% of the energy being drawn from BSES.
- 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 adds in an energy saving of approx. 3,00,000 units or kWh per annum.
- d) Automatic Power Factor (APF) correction panels of 10.7 kVAR capacity have been designed and are being installed at the Receiving Substations (RSS) for Delhi-Ghaziabad-Meerut RRTS corridor of NCRTC project for RSS Energy Conservation. Moreover, the RSS Control Room Building is also constructed with highest rating of Indian Green Building Council (IGBC) standards to conserve energy.
- e) IRCON has also installed LED Lights for energy conservation which reduces energy consumption by upto 50% in various projects like Loco Shed at Bondamunda, Staff Quarters at Mathura-Kasganj-Kalyanpur RE Project, etc. and are also planned to be installed at USBRL E&M Tunnel Project.
- f) Capacitor Banks of 2400 kVAR capacity have also been installed at Baramulla TSS (J&K) for USBRL RE project to improve the power factor. More than 3000 units of electricity on a daily basis will be conserved on installing capacitor banks once electric traction is introduced in valley. Capacitor Banks are also planned to be installed at Qazigund and Budgam TSS for energy conservation.

BOARD'S REPORT

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

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

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

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

IRCON being primarily an EPC company, has not made any significant capital investment on energy conservation equipment, during the year.

TECHNOLOGY ABSORPTION AND UPGRADATION EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

Towards technology upgradation, the Company had 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.

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.

Also, the SAP S4 HANA has been implemented within the organization towards the digitization of the business processes for reduction in the use of papers, printers, cartridges and other associated resources.

Your Company has secured a project for construction of Mumbai-Ahmedabad High Speed Railway (MAHSR) Project on December 24, 2021, which has been designated as the first High Speed Railway networks planned to be constructed in India. For this network the Japanese system of the Shinkansen Bullet Train has been selected for its safety, performance and reliability record. After securing the project, IRCON has finalized the detail programme of High-Speed Track construction based on Shinkansen technology

for overall total length of 237 Km between Vapi and Surat Railway Stations. This Shinkansen track would be capable of running bullet trains at maximum permissible speed of 350 Kmph. The Shinkansen technology will use RCC track bed, J Track slabs, Cement Asphalt Grout, Special fittings and JIS Rails instead of conventional ballast-less track being constructed in Metro network of Railways in India.

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

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

IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR)

- a. Details of technology imported

The Company has not imported any technology. However, machine for laying long rail panels having length of 260-meter each, 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 of DFCCIL had purchased the machine i.e. New Track Machine (NTC) from M/s Harsco, USA along with imparting supervision in order to train our Indian team deployed in the project for obtaining efficient operators for handling of the technology in the long run, at company's other projects also.

- b. Year of import - 2019

- c. Whether the technology been fully absorbed;

At present, out of a total scope of 372 TKM, 213 TKM of track linking has been completed at DFCCIL CTP-12 Project.

- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

At present, the NTC machine is being used at DFCCIL CTP-12 Project of the Company. It can be utilized at other projects as per the requirement.

RESEARCH AND DEVELOPMENT

The Company being primarily an EPC company does not undertake any pure research project but takes the help of consultants and firms to innovate and to develop methods

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and techniques to execute projects in a cost-effective manner, with requisite quality, to enhance the technical competence and efficiency.

INFORMATION TECHNOLOGY AND ERP

Information Technology (IT) in the Company is providing services related to Data Networks, Company-wide software application implementations, IT hardware equipment procurement, Implementation of Highway Traffic Management Systems (HTMS), Toll Management System (TMS) and Weigh-in-Motion on major highway projects executed and operated by IRCON and its Joint Venture companies as concessioners. IT is not just service provider but is also being used for productivity enhancement in IRCON.

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

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

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

organization.

Dedicated video conferencing facility on CISCO VC and Google Meet from official email ID hosted on <https://mail.ircon.org> is being widely used for conducting review meetings with project offices, trainings, promotion interviews and contract management issues etc. Especially during period of COVID-19 pandemic, Google Meet solutions were extensively used by all the employees and was one of the most important tools for project review meetings and also the meetings of the Board of Directors, its Committee meetings and General Meeting of the Company.

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 Listing Regulations and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises issued in May 2010, the Corporate Governance Report along with compliance certificates of Corporate Governance norms under the said Listing Regulations and DPE Guidelines, are annexed and forms part of this report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Company had nine Directors of which three are whole-time Directors [Chairman & Managing Director, Director (Finance) and Director (Projects)], two Government Nominee Directors and four Independent Directors. The post of Director (Works) is vacant since September 04, 2021 and the additional charge to this post is held by CMD, in terms of order of Ministry of Railways.

The Company has requested the Ministry of Railways for appointment of requisite number of Independent Directors (including One Women Director) in order to comply with the statutory requirements. During the FY 2021-22, four Independent Directors (including woman independent director) were appointed by the Ministry of Railways, on Board of the Company. Now, there was two vacancies to the post of Independent Director; though, as per the actual strength of Board of Directors the vacant position of Independent Directors is one.

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Pursuant to Section 203 of the Companies Act, 2013, the Board of Directors had declared Chairman & Managing Director (CMD) as deemed Chief Executive Officer (CEO) and all the Whole-time Directors and Company Secretary as Key Managerial Personnel (KMP) of the Company. The senior most finance official of the Company is designated as Chief Financial Officer (CFO) and KMP.

Board of Directors & Key Managerial Personnel (KMP) as on March 31, 2022

The Board of Directors of the Company as on March 31, 2022 were Executive (Functional) Directors viz.– Shri Yogesh Kumar Misra (DIN: 07654014), Chairman & Managing Director & CEO with additional charge of the post of Director (Works), Shri Mohit Sinha (DIN: 00843548), Director (Finance), Shri Shyam Lal Gupta (DIN: 07598920), Director (Projects); Part-time (Official) Directors viz. Shri Rajesh Argal (DIN: 09171980) and Shri Dhananjaya Singh (DIN: 08955500); being Government Nominee Directors and Independent Directors viz. Shri Ajay Kumar Chauhan (DIN: 09394953), Shri Dipendra Kumar Gupta (DIN: 09398271), Smt. Ranjana Upadhyay (DIN: 07787711) (woman independent director) and Dr. Kartik Chandulal Bhadra (DIN: 09453387).

In addition to the CEO and whole-time directors, other KMP, as on March 31, 2022 were Shri Surajit Dutta, Executive Director (Finance) & CFO [upto March 31, 2022] and Ms. Ritu Arora, Company Secretary.

Appointments and cessation of the Directors and KMP during and after close of the FY 2021-22

Changes in the post of Chairman & Managing Director:

During the FY 2021-22, Shri S.K. Chaudhary (DIN: 00515672), ceased to be Chairman & Managing Director (CMD) and CEO, w.e.f. April 30, 2021, due to superannuation. Shri Mukesh Kumar Singh, Director (Finance) (DIN: 06607392) was entrusted with additional charge of the post of CMD w.e.f. May 01, 2021 & also appointed as CEO w.e.f. June 11, 2021. Shri Yogesh Kumar Misra on selection by Public Enterprises Selection Board (PESB) was appointed as CMD & CEO of the Company w.e.f. September 04, 2021. Shri M.K. Singh relinquished the additional charge of the post of CMD & CEO on September 04, 2021 on appointment of Shri Yogesh Kumar Misra as CMD.

Changes in the post of Director (Finance):

Shri M.K. Singh ceased to be Director (Finance) on September 30, 2021, due to superannuation. Shri Mohit

Sinha, Additional Member (Revenue), Railway Board was entrusted with additional charge of the post of Director (Finance) w.e.f. December 03, 2021. After the close of the FY 2021-22, Smt. Ragini Advani (DIN: 09575213) on selection by PESB has been appointed as Director (Finance) w.e.f. April 19, 2022 [Additional Director] and Shri Mohit Sinha has relinquished the additional charge of the post of Director (Finance) of the Company w.e.f. April 19, 2022.

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

Further, Shri Rajesh Argal, Additional Member (Planning), Railway Board was appointed as Part-Time (Official) Director (Government Nominee Director) (Additional Director) of the Company w.e.f. May 13, 2021. Shri Rajesh Argal and Shri Dhananjaya Singh (DIN: 08955500), Part-time (Official) Directors appointed as Additional Directors were regularized at the last Annual General Meeting of the Company held on September 24, 2021.

Appointment of Independent Directors:

During the FY 2021-22, Shri Ajay Kumar Chauhan w.e.f. November 11, 2021; Shri Dipendra Kumar Gupta w.e.f. November 16, 2021; Smt. Ranjana Upadhyay (Independent Women Director) w.e.f. November 16, 2021; and Dr. Kartik Chandulal Bhadra w.e.f. December 31, 2021 were appointed as Independent Directors (Additional Directors) [Part-time (Non-Official) Directors] on the Board of the Company.

Change in the KMPs:

Consequent to appointment of Shri Mukesh Kumar Singh as CEO, Shri Surajit Dutta, former Executive Director (Finance) was appointed as CFO of the Company w.e.f. June 11, 2021. Shri Surajit Dutta ceased to be CFO & KMP of the Company on March 31, 2022 due to superannuation. After the close of the year, Shri Mugunthan Boju Gowda, Executive Director (Finance), was appointed as CFO & KMP w.e.f. April 26, 2022.

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

INDEPENDENT DIRECTORS' DECLARATION

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

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noted by the Board of Directors.

The Ministry of Corporate Affairs (MCA) has issued notifications in October 2019, relating to the creation and maintenance of the data bank for independent directors by Indian Institute of Corporate Affairs at Manesar, Haryana (IICA). Under Section 150(1) of the Companies Act, 2013, IICA conducts Online Proficiency Self-Assessment for Independent Directors. Accordingly, all the Independent Directors of the Company during FY 2021-22 have got their names registered on data bank of IICA.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS THROUGH POSTAL BALLOT

Pursuant to the provisions of Section 152(2) of the Companies act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Further pursuant to SEBI Listing Regulations, every listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment. The appointment of Smt. Ragini Advani as Director (Finance) is required to be approved by the shareholders within a period of three months from the date of her appointment, i.e. latest by July 18, 2022. Thus, with the approval of the Board, the Postal Ballot Notice containing the Special Resolutions for regularization of appointment of four Independent Directors viz. Shri Ajay Kumar Chauhan, Shri Dipendra Kumar Gupta, Smt. Ranjana Upadhyay and Dr Kartik Chandulal Bhadra and one ordinary resolution for regularization of appointment of Smt. Ragini Advani as Director (Finance) on the Board of the Company was sent to the members of the Company and approved by the members on June 29, 2022.

RETIREMENT OF DIRECTORS BY ROTATION

In terms of Section 152 of the Companies Act, 2013, the provisions in respect of retirement of Directors by rotation will not be applicable to the Independent Directors. In view of this, all directors (other than the Independent Directors) are considered for retirement by rotation. Accordingly, as per provisions of the Companies Act, 2013, Shri Shyam Lal Gupta, Director (Projects) and Shri Dhananjaya Singh, Part-time (Official) Director, are liable for retirement by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer themselves for re-appointment.

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

BOARD & COMMITTEE MEETINGS

Board Meetings:

The Board met 9 times during the FY 2021-22, on April 05, 2021; June 11, 2021; June 30, 2021; August 12, 2021; August, 24, 2021; November 12, 2021; December 17, 2021; January 05, 2022; and February 14, 2022. The necessary quorum in terms of Listing Regulations was present for all the meetings except meetings held upto August 24, 2021 due to non-appointment of Independent Directors by the Ministry of Railways. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, DPE Guidelines and the Listing Regulations.

During the FY 2021-22, all the meetings of the Board were held at the Company's Registered Office, in New Delhi, through Video Conferencing mode. One meeting of Project Progress Review Committee of the Board was held at Srinagar, Jammu & Kashmir, in compliance with the direction of the DPE for holding Board Meeting / Strategic meets of CPSEs at destinations which have potential for development of tourism sector in the country.

Committee meetings:

Your Company's Board has the following committees:

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

During the FY 2021-22, the Audit Committee of the Board met ten times, the Nomination & Remuneration Committee met five times, Stakeholders' Relationship Committee met one time; Risk Management Committee of the Board met two times; the Corporate Social Responsibility & Sustainability Committee met three times, and the Project Progress Review Committee met two times.

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

Separate Meeting of Independent Directors

In compliance with the provisions of Regulation 25(3) of SEBI Listing Regulations, Schedule IV of the Companies Act, 2013 and DPE OM dated March 20, 2013, one separate meeting of Independent Directors was held on March 14,

BOARD'S REPORT

2022 (which continued on March 15, 2022) at Mumbai, Maharashtra, without the presence of other Board Members.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

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

PERFORMANCE EVALUATION

IRCON is a Government Company 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 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:

- a) Performance of the Company under the MOU signed with the Ministry of Railways. Performance with respect to the targets fixed for the respective director.
- b) 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).
- c) 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.

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 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 are placed on the website of the Company at the web address www.iron.org (HRM and Career Sections). The remuneration policy of the Company and the procedure and policy for appointment of Senior Management are reviewed and recommended by the Nomination & Remuneration Committee before its approval by the Board of Directors.

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 Board's 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 Board's Report. However, remuneration paid to directors during FY 2021-22 is disclosed in the Corporate Governance Report.

INTERNAL CONTROL SYSTEMS

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) is reviewed on periodic, 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.

INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

BOARD'S REPORT

possession of UPSI about the Company which is not in the public domain and thus constitutes insider information.

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

RISK MANAGEMENT

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

As per the Listing Regulations, the Company is having a Board level Risk Management Committee, which as on March 31, 2022 comprised of Director (Projects) as Chairman, and Shri Rajesh Argal, Part-time (Official) Director and Shri Dipendra Kumar Gupta, Independent Director as members. The Risk Management Policy of the Company has been revised and updated during the FY 2021-22.

Details of the Risk Management System are provided in the Management Discussion and Analysis Report and the Risk Management Committee are provided in the Corporate Governance Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM AND VIGILANCE ACTIVITIES

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

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

The Department ensures implementation of laid down guidelines / procedures through preventive checks of tenders and contracts, execution of works, and other functions as well as carry out investigations into complaints. During FY 2021-22, the Department has carried out 01 surprise inspection and 04 periodic inspections on high-value projects. Apart from surprise and periodic inspections department has carried out 08 preventive inspections on tenders floated from the corporate office. Chief Technical Examiner's Organisation (CTEO) (Technical wing of Central Vigilance Commission) has also carried out extensive investigation of 01 project. Complaints raised against officials and procedures etc. by various Authorities (such as CVC/Railway Board Vigilance, CBI, Prime Minister's Office etc.) and received from other sources were investigated to their logical conclusion. During FY 2021-22, 01 complaint was received and along with 06 pending complaints of the previous FY, a total of 07 complaints were disposed off. The complaints were related to irregularities during tendering, execution of contract, anonymous and pseudonymous and quality related issues. Also, steps were taken for closure of paras raised by CTEO. In addition, scrutiny of immovable property returns of employees, creating awareness on rules / procedures / common irregularities in execution through workshops, training, debate, and competitions are the prime activities of the Department.

As a step towards 'Leveraging of Technology' for better transparency, Immovable Property Returns, are filed by the officer through online system since 2012-13, and the process is running successfully. Vigilance Clearance, filing of vigilance complaints are also done through online system since April 04, 2014. E-Procurement has already been started w.e.f July 1, 2013, in the organisation in a comprehensive manner for achieving transparency for all value of the work.

"IRCON Career" 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.

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

BOARD'S REPORT

Government Departments and their Suppliers are handled in a fair, transparent and corruption-free manner.

As per the provision of Integrity Pact and relevant guidelines of Central Vigilance Commission, Dr. T.M. Bhasin has been appointed as an Independent External Monitor (IEM) on November 27, 2020 and Shri Bimal Julka, Retired IAS has been appointed as second IEM 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

Prior omnibus approval of the Audit Committee is obtained on yearly basis for all Related Party Transactions with the subsidiary and joint venture (JV) companies which are of unforeseen and repetitive nature valuing upto ₹ 1 Crore in a financial year. The transactions, if any, entered into with the subsidiary / JV Company in pursuant to the omnibus approval granted, are placed before the Audit Committee on a quarterly basis. Approval of specific related party transactions other than those covered under the Omnibus approval are also obtained from the Audit Committee/ Board in compliance with the requirement of the Companies Act and Listing Regulations.

In pursuance to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the "Disclosure of particulars of contracts / arrangements entered by the Company with related parties including certain arms-length transactions" are disclosed in Form AOC-2 and is annexed to this Report. Further, the disclosure of all related party transactions including the transactions entered in terms of regulation 53(f) of the Listing Regulations forms part of the financial statements.

The Related Party Transaction Policy of the Company has been revised and approved by the Board during the year 2021-22 and is uploaded on the Company's website of the Company under the 'Investors' section at www.ircon.org.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

i) that in the preparation of the financial statements, the applicable accounting standards had been followed except as otherwise stated in the annual financial statements and there has been no material departure;

ii) that such accounting policies were selected and applied consistently and such judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on March 31, 2022, and of the profit of the Company for the FY 2021-22;

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 the Listing Regulations, in the format prescribed under SEBI Circular no. CIR/ CFD/ CMD/10/2015 dated November 4, 2015, forms part of the Report. The report describes the initiatives taken by IRCON from an environmental, social and governance perspective.

Further, the amendment to regulation 34(2)(f) of LODR Regulations issued vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 has introduced a new reporting requirement on ESG parameters called Business Responsibility and Sustainability Report (BRSR), which are mandatory for the top 1000 listed companies for the FY 2022-23 and for FY 2021-22, it is voluntary.

MOU RATING / AWARDS

In terms of the DPE guidelines, every year a Memorandum of Understanding (MOU) is entered into between Ministry of Railways and IRCON on selected parameters having targets normally decided before the start of new financial year. The achievements of these targets are evaluated after the end of the year to measure the performance of the Company. Based on the MOU parameters and performance for the year 2019-20 and 2020-21, the Company has been rated as 'Excellent'. The Company expects to achieve 'Very Good' rating for the year 2021-22.

BOARD'S REPORT

The Company has received the following awards during the year 2021-22:

S. NO.	DATE OF RECEIPT OF AWARD	NAME OF THE AWARD	CATEGORY / PROJECT
1.	29.07.2021	Governance Now 8 th PSU Award	In two categories viz. - CSR Commitment - CSR Leadership Award
2.	27.08.2021	National Awards for Excellence in PSU	In three categories viz. - Innovation Social Media Outreach - Increasing the Geo-Strategic Reach - Exemplary Leader Award
3.	07.03.2022	Greentech Foundation Safety Award	For Construction Safety

AUDITORS

STATUTORY AUDITORS

The Comptroller & Auditor General of India (C&AG) has appointed M/s HDSG & Associates, Chartered Accountants, New Delhi (Firm Registration No.002871N) as the single Statutory Auditors of the Company for FY 2021-22, except for the following foreign projects for which C&AG has appointed the following as statutory auditors:

BRANCH AUDITORS FOR INTERNATIONAL PROJECTS	
M/s Ait MIMOUN Rafik	Algeria Project
M/s Edirisinghe & Co.	Sri Lanka Project
M/s UHY Syful Shamsul Alam & Co.	Bangladesh Project

COST AUDITORS

The Board of Directors has appointed M/s R.M. Bansal & Co., Cost Accountants, (having firm Registration No.000022) as Cost Auditor of the Company for the FY 2021- 22 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 Listing Regulations, the Board of Directors has appointed M/s Kumar Naresh Sinha & Associates, Company Secretary in practice (Firm Registration No. S2015UP440500) as the Secretarial Auditor for conducting Secretarial Audit of the Company for the FY 2021-22.

INTERNAL AUDITORS

The Board of Directors have appointed following Internal

Auditors for the Indian Projects for the FY 2021-22; and the Internal Audit of the foreign projects are done internally by employees of the Company:

INTERNAL AUDITORS FOR INDIAN PROJECTS	
M/s Ravi Rajan & Co., Chartered Accountants, New Delhi	Corporate Office
M/s SPMR & Associates, Chartered Accountants, New Delhi	Northern Region
M/s Keshri & Associates, Chartered Accountants, Kolkata	Eastern Region
M/s Dinesh K Yadav & Associates, Chartered Accountants, Patna	Patna Region
M/s MKPS & Associates, Chartered Accountants, Mumbai	Mumbai Region
M/s Hem Sandeep & Co., Chartered Accountants, Jammu	J&K Region

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

The details of investments made, loans granted, and guarantees extended by the Company to its subsidiary and joint venture companies during the FY 2021-22 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.

OTHER DISCLOSURES EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as at March 31, 2022 is placed on the website of the Company at www.ircon.org, under the Investors section.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

No amount is due for transfer to IEPF and details of unclaimed dividend as on March 31, 2022 are available on the website of the Company, and this is also disclosed in the Corporate Governance report. Further, the Company

BOARD'S REPORT

does not have shares in Demat Suspense Account/ Unclaimed Suspense Account/ Unclaimed dividend 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 been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the FY 2021- 22.

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

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

CHANGE IN THE NATURE OF BUSINESS

There was no material change in the nature of business of the Company during the FY 2021-22.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of Listing Regulations and the guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by the DIPAM, the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy. The said Policy is annexed to this report and is also available on Company's website at the web-link <https://www.ircon.org/images/file/cosecy/Dividend%20Distribution%20Policy.pdf>

SECRETARIAL AUDIT REPORT AND MANAGEMENT RESPONSE THERETO

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

The Management Response on the qualification in the Secretarial Auditor Report and compliance of conditions of Corporate Governance for the FY 2021-22 forms part of this report.

STATUTORY AUDITORS' REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for FY 2021-22 (both on standalone and consolidated financial statements) are attached separately as part of the Annual Report. There are no qualifications, reservations or adverse remarks made by HDSG & Associates, Statutory Auditors, in their report for the financial year ended on March 31, 2022.

Comments of Comptroller & Auditor General (C&AG) of India on the Audited Financial Statements of your Company for the FY 2021-22 are attached.

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, Ministry of Road Transport and Highways (MoRTH), External Affairs, Finance, Commerce, Urban Development and other ministries, departments and agencies, the office of Comptroller & Auditor General of India, Reserve Bank of India, Statutory, Branch, Cost, 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 Director

Sd/-
(Yogesh Kumar Misra)
Chairman & Managing Director & CEO
(DIN: 07654014)

Date: August 23, 2022
Place: New Delhi

BOARD'S REPORT

APPENDIX-A

ON-GOING MAJOR PROJECTS IN INDIA

Sl. No.	Name of the Project	Revised Contract Value (₹ in Crore)
RAILWAYS		
1.	Katra-Qazigund section (IRCON's portion), Udampur Srinagar Baramulla Rail Link Project, for Northern Railway	13,359
2.	Sivok-Rangpo New Rail Line project, for North Frontier Railway	8,215
3.	Mumbai Ahmedabad High Speed Rail Project, Package MAHSR-T-2 for National High Speed Rail Corporation Limited (NHSRCL)	5143
4.	Construction of Corridor-III of East-West Corridor between Gevra Road to Pendra Road approximately 135 km, feasibility study of East-West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh, for Chhattisgarh East-West Railway Limited (CEWRL)	3,198
5.	Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh and Spur Line in the State of Chhattisgarh, for Chhattisgarh East Railway Limited (CERL).	1,958
	Construction of New BG Electrified Rail Line between Dharamjaigarh to Korba (Urga) for CERL (CERL-II).	1,138
6.	Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin Section of Dedicated Freight Corridor Project, CTP-12, for Dedicated Freight Corridor Corporation of India Limited (DFCCIL)	2,603
7.	Doubling projects at Katni - Singrauli Doubling Project, for West Central Railway	1,763
8.	Design and Construction of Civil and Building Works including Testing and Commissioning on Design Build Lump Sum Price Basis for Double Line High Speed Railway involving Ahmedabaed Station, Sabarmati Station, Viaduct & Bridges, Crossing Bridges (excluding fabrication and transportation of Steel truss girders) and Associated works between MAHSR Km. 489.467 and MAHSR Km. 507.599 in the State of Gujarat for the Project for Construction of Mumbai-Ahmedabad High Speed Rail (Package No. MAHSR C-7), for NHSRCL	1,714
9.	Execution of rail connectivity projects identified by Bastar Railway Private Limited (BRPL).	1,466
10.	Construction of Eight Lane Access Controlled Expressway from Km 69.800 to Km 79.783 (Bhoj to Morbe Section-SPUR of Vadodara Mumbai Expressway) in the State of Maharashtra on Hybrid Annuity mode under Bharatmala Pariyojana (Phase-II- Package-XVII), for National Highways Authority of India (NHAI).	1,436
11	RDUM-TAL-RJO (Rampur Dumra - Tal - Rajendrapul Doubling including Ganga Bridge) Doubling projects for East Central Railway	1,336
12	Katni Grade Seperator / By pass line (21.50 Km) Project, for West Central Railway.	1,248
13	Kiul - Gaya Doubling projects for East Central Railway	1,200
14	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL)	1,139
15	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL)	1,075

BOARD'S REPORT

Sl. No.	Name of the Project	Revised Contract Value (₹ in Crore)
16	Hajipur – Bachwara Doubling projects for East Central Railway	930
17	Akhaura - Agartala Rail Link Project (Construction of Indian Portion), for North Frontier Railway	743
ROADS		
1	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 NHAI.	1,378
2	Construction of Eight Lane access-controlled Expressway from Km 3.000 to Km 20.200 (Shirsad to Akloli Section-SPUR of Vadodara Mumbai Expressway) in the state of Maharashtra on Hybrid Annuity Mode under Bharatmala Pariyojana (Phase II-Package XIV), for NHAI	1,124
3	Construction of Four/ Six lane Greenfield Ludhiana- Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana Bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode: Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to Kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), for NHAI	1,107
4	Upgradation of Gurgaon-Pataudi-Rewari Section of NH-352W as feeder route in the State of Haryana on Hybrid Annuity Mode for NHAI	900
5	Upgradation and Four Laning of Haridwar Bypass Package-1 From Km. 0+000 (Km 188+100 of NH-58) to Km. 15+100 (Km 5+100 of NH 74) in the state of Uttarakhand on Hybrid Annuity Mode, for NHAI	861
OTHERS		
1	Setting up of 500 MW Grid Connected Solar PV Power Projects in India (Tranche III) under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for Indian Renewable Energy Development Agency Limited (IREDA)	1,960
2	Two projects viz. Design, Supply, Installation, Testing and Commissioning of receiving Sub Stations [including 25 kV AC Traction cum 33 kV Auxiliary Main Sub Stations], Extra High Voltage & High Voltage Cabling, 25 kV Overhead Equipment (FOCS/ROCS), Auxiliary Power Supply [including Auxiliary Sub Station], and Associated Works on via duct & Tunnel from Duhai (EPE) to Modipuram [including Modipuram Depot] for Delhi-Ghaziabad-Meerut RRTS Corridor of National Capital Region Transport Corporation (NCRTC) (Lot-P19 L1 and Lot-P19 L2) for NCRTC	318
		405
3	Railway Electrification works for Badarpur- Jiribam, Katakhal - Bhairabi and Badapur- Karimgang - Sabroom Incl Karimgang - Maishasan, Agartala - Akaura and Baraigram - Dullabachera for North Frontier Railway	659

BOARD'S REPORT

APPENDIX – B

A. SUBSIDIARY COMPANIES:

1. IRCON INFRASTRUCTURE & SERVICES LIMITED (IrconISL)

IrconISL, a wholly owned subsidiary of IRCON, was incorporated on September 30, 2009 and obtained the Certificate of Commencement of Business on November 10, 2009. The main objects of IrconISL are to undertake infrastructure projects including planning, designing, development, improvement etc. in the field of construction of Multi-Functional Complexes (MFCs) etc., to provide facilities and amenities to users of Indian Railway System; and to carry on the business of hire purchasing, leasing of all kinds of moveable and 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 FY 2021-22, IrconISL has secured 04 new projects viz. (i) Supervision Consultancy for Construction of two ROB's on Dr. E.Moses Road and Keshavrao Khade Marg near Mahalaxmi Railway Station in G/S ward for Municipal Corporation of Greater Mumbai; (ii) Final Location Survey (FLS) using Modern Survey Technologies for New Broad Gauge Line from Tanakpur to Bageshwar (approx. 154.58km) in the state of Uttarakhand for North Eastern Railway; (iii) FLS using Digital Terrain/Elevation Model (DTM/DEM/DSM) generated from satellite or LiDAR imageries, staking of alignment on ground, Geological & Geophysical mapping etc. in connection with Imphal-Moreh new BG Single Line project in Manipur (Total approx. length 110KM) for Northeast Frontier Railway; and (iv) Empanelled as a Project Development Consultant (PDC) for Development & Monetization of Land Parcels/Properties under SDMC for South Delhi Municipal Corporation.

Along with the above new projects, during the FY 2021-22 the following existing projects are in various stages of completion:

- i. PMC for construction of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana.
- ii. PMC for construction of Office Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi.
- iii. PMC for construction of Barrack Accommodation for Security Personnel at four (4) Land ports (ICPs)

[i.e.1.Attari-Punjab, 2. Jogbani-Bihar, 3.Petrapole-West Bengal, 4.Dawki-Meghalaya] for Land Ports Authority of India (LPAI).

- iv. PMC for construction of Multi Modal Logistics Park (MMLP) for CONCOR at (a) Kadakola, Mysuru District, Karnataka, (b) Paradip (Orissa); (c) Bhaupur, Kanpur (U.P), and (d) Dahej, Gujarat.
- 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. PMC for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at National Thermal Power Corporation, Unchahar, U.P.
- vii. PMC for Construction of Infrastructure works at National Disaster Response Force Academy at Nagpur.
- viii. Engagement as Consultant for Detailed Engineering & Project Supervision for development of handling facilities for IFFCO at MMLP Paradip Port, Orissa, awarded by CONCOR.
- ix. Maintenance of Track, Civil Engineering, OHE and S&T assets of Kharsia-Korichhapar newly laid BG Section for Chhattisgarh East Railway Limited.
- x. Supervision Consultancy for Construction of ROB in lieu of LC No.114 B on Ahmedabad Botad Railway Line in the State of Gujarat for Ahmedabad (R&B) Division.
- xi. Appointment of Inspection Agency for Inspection, Supervision & Quality Control related works of Assembly and Launching of Steel Superstructure within the Railway portion including fabrication & installation of bearing for "Construction of Road Over Bridges (ROB) at various locations in lieu of LC gates in Maharashtra area under Central Railway" for Maharashtra Rail Infrastructure Development Corporation Limited.

During the FY 2021-22, Phase-I of construction of Office Building of Department of Science & Technology at Technology Bhawan has been completed and handed over to the Client viz. Department of Science & Technology (Ministry of Science & Technology, Govt. of India). The building was inaugurated by the Hon'ble Minister of State (Independent Charge) of the Ministry of Science & Technology on October 14, 2021. Further Barrack Accommodation for Security Personnel at Attari has been substantially completed and inaugurated by the Hon'ble Union Home Minister on March 17, 2022.

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IrconSL has successfully developed and sub-leased all its 24 MFCs to third parties at 23 identified railway stations in India.

2. IRCON PB TOLLWAY LIMITED (IrconPBTL)

IrconPBTL, a wholly owned subsidiary of IRCON, incorporated as a Special Purpose Vehicle on September 30, 2014, and obtained approval for commencement of business on November 14, 2014. The main object of IrconPBTL is to carry on the business of widening and strengthening of the existing Bikaner & Phalodi Section to four 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. IrconPBTL has entered into Concession Agreement with the National Highways Authority of India (NHAI) on November 7, 2014. The concession period of the project is 26 years from the Appointed Date with the total project cost of ₹ 844.08 Crore.

The provisional certificate of completion of construction for road length of 156.650 Km was issued by NHAI on February 15, 2019, for commencement of tolling operations at all the three toll plazas located at Salasar and Nokhra in Bikaner District and Kheerwa in Jodhpur District, Rajasthan.

IrconPBTL has auctioned the toll collection and highway maintenance to M/s Coral Associates since June 09, 2021.

3. IRCON SHIVPURI GUNA TOLLWAY LIMITED (IrconSGTL)

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

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

The Completion Certificate of construction for road

length of 87.5 Km pertaining to Stage-I was issued by NHAI w.e.f. September 27, 2018. Thus, operation of toll plaza and collection of revenue has been started from June 7, 2018. The construction of Stage-II of the project for 12.4 Km road length is under progress and the COD for the same is expected by end of September, 2022, which will increase the toll collection by another 14% approx.

During the FY 2021-22, IrconSGTL has availed Rupee Term Loan facility of ₹ 501 Crore from State Bank of India (SBI) for re-financing the existing term loan availed from the holding Company, IRCON.

4. IRCON DAVANAGERE HAVERI HIGHWAY LIMITED (IrconDHHL)

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

IrconDHHL has entered into Concession Agreement with NHAI on June 19, 2017. The concession period of the project comprises of construction period of 912 days (30 months) from the Appointed Date i.e. January 24, 2018 and operation and maintenance period of 15 years commencing from COD, with the total project bid cost of ₹ 1177 Crore plus escalation excluding Operation & Maintenance (O&M) cost. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

The Provisional Completion Certificate was issued by NHAI on May 28, 2021 for the available unhindered project length of 72 kms and the authority is making effort for clearing obstruction to complete the balance scope of work.

IrconDHHL has availed Term Loan of ₹ 502.76 Crore from Punjab National Bank (PNB) to finance the project.

5. IRCON VADODARA KIM EXPRESSWAY LIMITED (IrconVKEL)

IrconVKEL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on May 16, 2018 with the main object to carry on the business of

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development, maintenance and management of eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase-VI on Hybrid Annuity Mode (Phase IA-Package II) on design, build, finance, operate and transfer basis.

IrconVKEL has entered into Concession Agreement with NHAI on May 25, 2018. The concession period of the project comprises of construction period of 730 days from the Appointed Date i.e. January 31, 2019 and operation period of 15 years commencing from Commercial Operation Date (COD), with the total bid project cost of ₹ 1865 Crore excluding O&M cost. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

The Company has successfully achieved all the three project milestones by March 30, 2021 and the physical progress achieved till June 2022 is 94%. IrconVKEL has availed from loan of ₹ 724.12 Crore from Bank of Baroda (BOB) to finance the project.

6. IRCON GURGAON REWARI HIGHWAY LIMITED (IrconGRHL)

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

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

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

IrconGRHL has availed term loan of ₹ 309.68 Crore from Indian Overseas Bank (IOB) for which IRCON

has given Corporate Guarantee which is valid till the receipt of 1st Annuity from NHAI i.e. 180 days from COD. First instalment of mobilization advance has been received from NHAI on April 07, 2022.

7. IRCON AKLOLI-SHIRSAD EXPRESSWAY LIMITED (IrconASEL)

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

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

IrconASEL is in the process of availing loan/financial assistance of upto ₹ 577.77 Crore from Banks or financial institutions to finance the project, and financial closure is expected soon, thereafter, the appointed date shall be fixed by NHAI.

8. IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED (IrconLRHL)

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

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43.26 km), in accordance with the terms of concession agreement with NHAI.

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

IrconLRHL is in the process of availing loan/financial assistance of upto ₹ 518.68 Crore from Banks or financial institutions to finance the project and the financial closure is expected soon, thereafter, the appointed date shall be fixed by NHAI.

9. IRCON BHOJ MORBE EXPRESSWAY LIMITED (IrconBMEL)

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

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

IrconBMEL is in the process of availing loan/financial assistance of upto ₹ 732.29 Crore from Banks or financial institutions to finance the project and financial closure is expected soon, thereafter, the appointed date shall be fixed by NHAI.

10. IRCON HARIDWAR BYPASS LIMITED (IrconHBL)

IrconHBL, a wholly-owned subsidiary of IRCON incorporated as a Special Purpose Vehicle on January

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

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

IrconHBL is in the process of availing loan/financial assistance of upto ₹ 424.80 Crore from Banks or financial institutions to finance the project and the financial closure is expected soon; thereafter, the appointed date shall be fixed by NHAI.

11. IRCON RENEWABLE POWER LIMITED (IRPL)

IRPL, a subsidiary of IRCON incorporated on January 13, 2022 and obtained the Certificate of commencement of business on February 24, 2022. IRPL is incorporated as a joint venture (JV) and Special Purpose Vehicle (JV-SPV) with equity participation by IRCON and Ayana Renewable Power Private Limited (Ayana) in the ratio 76:24, respectively. The main object of IRPL is "Setting up of 500 MW Grid Connected Solar Power Plant under the Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme)" floated by Indian Renewable Energy Development Authority (IREDA) ("the Project"). IRCON and Ayana has entered into Share Subscription and Shareholders' Agreement (SSHA) on December 13, 2021.

The project was awarded to IRCON by IREDA and is being executed by IRPL. The total project cost is ₹ 2578.99 Crore. The final Viability Gap Funding (VGF) amount for the Project is ₹ 44,94,000 per MW calculated in total to ₹ 224.70 Crore, which will be released in two tranches by IREDA i.e. (a) 50% on award of contract to the EPC Contractor (including in-house EPC Division) by the bidder (IRCON), for which EPC agreement with EPC

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Contractor is to be executed within twelve months from date of the Letter of Award i.e. by October 3, 2022 and (b) the balance 50% on successful commissioning of the full capacity of the Project.

After the close of the year, IRPL has signed Power Purchase Agreement (PPA) with South Western Railways on May 04, 2022. The project aims to achieve on-time financial closure and foresees timely commissioning. Acquisition of land in Bengaluru, in the State of Karnataka is under process.

B. JOINT VENTURE COMPANIES:

1. IRCON-SOMA TOLLWAY PRIVATE LIMITED (ISTPL)

ISTPL, a Joint Venture company was incorporated on April 19, 2005 as a Special Purpose Vehicle. IRCON and Soma Tollways Private Limited with its associates are having 50% stake each in ISTPL. The main object of the Company is undertaking Improvement, Operation & Maintenance, Rehabilitation and Strengthening of existing 2 lane road and widening to 4 - Lane divided carriageway on National Highway 3 (NH3) from Km 261+720 to Km 379+878 on Build, Operate and Transfer basis in the State of Maharashtra, in accordance with the terms of concession agreement with NHAI. The promoter's agreement between IRCON and SOMA was executed on December 28, 2005 and the supplementary promoter's agreement between IRCON, SOMA and STPL was executed on August 22, 2019.

The project was completed in 2010-11 and since April, 2010 the Company is collecting toll from entire project stretch of 118.158 km.

2. INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED (IRSDC)

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

and RLDA. In the FY 2020-21, RITES was introduced as a third strategic partner / shareholder, and since then, the equity shareholding held by RLDA, IRCON and RITES is in the ratio of 50:26:24, respectively. The revised shareholders agreement was executed amongst the shareholders on May 21, 2020.

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

3. CHHATTISGARH EAST RAILWAY LIMITED (CERL)

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

This project is further divided into following two phases:

- (A) CERL Phase-I—It extends from Kharsia to Dharmjaygarh including Spur Line from Gharghoda to Donga Mahua. The concession agreement for CERL Phase-I was signed with the Ministry of Railways on June 12, 2015. The

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financial closure of CERL-I has been achieved on November 24, 2017.

The section from Kharsia to Korichhapar (DN line-44 km) of CERL Phase-I has been commissioned on October 12, 2019. Doubling from Kharsia to Korichhapar has been completed and commissioning is expected soon. The section from Korichhapar to Dharamjaigarh has been commissioned on June 21, 2021. The Spur Line between Gharghoda to Bhalumuda (14 KM) has been commissioned on February 23, 2022. Engine Rolling has been successfully done in Chhal Feeder Line (6.5 Km upto Holding Yard) on March 31, 2022. The provisional COD of the CERL Phase-I project is expected in September 2022.

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

4. CHHATTISGARH EAST-WEST RAILWAY LIMITED (CEWRL)

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

Detailed Project Report (DPR) was approved by Railways through its zonal Railway viz. South Eastern Central Railway with inflated mileage of 40% on

chargeable distance of 135 km for five years as approved by the Ministry of Railways on June 15, 2017. Concession Agreement was entered between CEWRL and Ministry of Railways on July 01, 2018. CEWRL has availed the loan facilities for an amount of ₹ 3976 Crore from consortium of banks lead by State Bank of India (SBI) and financial closure has been achieved on September 04, 2020. As per the loan requirement, IRCON has given the Sponsor Support Undertaking for the equity contribution of 26% of the total equity requirement, to meet cost overrun, to service the debt upto the date of commercial operation date, etc. Complete Land for Main Line has been acquired and tenders for civil works worth approx. ₹ 1300 Crore have been finalized and work is in progress. The target date of completion of the work is December 2024.

5. MAHANADI COAL RAILWAY LIMITED (MCRL)

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

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

The previously acquired land by MCL for Angul-Balram section (14Km) has been transferred to East Coast Railway on November 24, 2021 in accordance of Railway Amendment Act, 2008. The construction work is in progress in Angul-Balram section (14 Km) of the project which is likely to be commissioned by July 2022. The land acquisition and diversion of forest land in Balaram-Putagadia-Jarapada-Tentuloi section (54 Km) is in process.

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For financial closure, MCRL has invited tender to finance the loan amount of ₹ 1190 Crore.

6. JHARKHAND CENTRAL RAILWAY LIMITED (JCRL)

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

JCRL had signed project execution agreement with IRCON on March 28, 2016. Ministry of Railways has granted in-principle approval for transfer of Shivpur-Kathautia New BG Electrified Rail Line Project to JCRL. Project chainage starts from Kathautia (0.000) to Shivpur (49.085) a total stretch of 49.085 Km. Detail Project Report (DPR) has been approved by East Central Railway. An inflated mileage of 60% on chargeable distance of 49.085 km has been approved by the Ministry of Railways for a period of 5 years from June 13, 2018. The Concession Agreement between JCRL and Ministry of Railways has been signed on December 4, 2018.

JCRL has acquired 91.53% of Private Land and 100% of Government Land, and the working permissions have been received on September 14, 2021 for one year after obtaining Stage-I clearances. During the FY 2021-22, out of the 04 packages of Earthwork / Minor bridge, 02 packages have been awarded on February 02, 2022 and March 11, 2022. The expected date of completion of the project is June 04, 2025.

After the close of the year, JCRL has achieved financial closure on May 05, 2022. The Company has availed

loan facility amounting to ₹ 1260 Crore from PNB led consortium of banks.

7. BASTAR RAILWAY PRIVATE LIMITED (BRPL)

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

BRPL has signed project execution agreement with IRCON on July 19, 2017. Detailed Project Report (DPR) has been approved by Zonal Railways viz. South East Central Railway (SECR) in October 2017. The Ministry of Railways has approved inflated mileage of 50% for the entire length of the project on June 12, 2018. The Concession Agreement between BRPL and Ministry of Railways has been executed on September 27, 2018. Financial closure of the project is under process. The 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 No 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 (SEBI (LODR) Regulations, 2015), the Companies Act, 2013 and Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Ministry of Finance, Government of India. The Report contains details of Corporate Governance systems and processes at Ircon International Limited (IRCON/ The Company).

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

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

IRCON believes in promoting the principles of sound Corporate Governance, and its essential character is shaped by a high standard of transparency, trust and integrity, performance orientation, responsibility, accountability, professionalism, social responsiveness and ethical business practices. It has always believed in creating a framework of best policies, practices, structures and ethics in the organisation. Corporate Governance has indeed been an integral part of the way we have done business for several years. IRCON Team subscribes to the corporate values and imbibes them in their conduct regularly.

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

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

- 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 its Committees. These guidelines seek to systematise the decision-making process at the meetings of the Board and Committees in an informed and efficient manner.

Pursuant to Section 2(45) of the Companies Act, 2013, IRCON is a 'Government Company' as 73.18% 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 March 31, 2022, the Company has nine directors of which three are whole-time directors [Chairman & Managing Director, Director (Finance) (additional

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charge) and Director (Projects)], two Government Nominee Directors and four Independent Directors.

The Chairman is an Executive Director; therefore, half of the Board should comprise of Independent Directors. As the power to appoint the directors on the Board of IRCON vests with the President of India, the Company from time-to-time requests Ministry of Railways to appoint a requisite number of Independent Directors (including Woman Director) and also Government Nominee Director on the Board.

During the FY 2021-2022, the Composition of the Board was not in compliance with the statutory requirements as the Company was not having an optimum combination of Executive / Functional Directors and Non-Executive Directors. The Company did not have six directors upto November 15, 2022. The Company was not having any Independent Directors upto November 10, 2021 and for the remaining period the requisite number of Independent Directors was not there (including woman director) upto November 15, 2021. As on April 01,

2021, as per the sanctioned strength of Directors on the Board of the Company by Department of Public Enterprises (DPE), there were six vacancies for the post of Independent Directors (including woman director) and one for Government Nominee Director for which requests were made to the Ministry of Railways, Government of India. Further, during the FY 2021-22, one Government Nominee Director and four Independent Directors (including woman director) on Board of the Company were appointed by the Administrative Ministry i.e., the Ministry of Railways.

As on March 31, 2022, against the sanctioned strength of Directors, the post of Director (Works) is vacant (presently, additional charge is assumed by the Chairman & Managing Director) and there are two vacancies for the post of Independent Directors; however, considering the actual strength of Directors, the vacancy for the post of Independent Director is one for which requests have already been made to the Ministry of Railways, Government of India.

2.1 CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION AND DIN DURING THE FY 2021-22

Category, Name & Designation	DIN	Appointment or Cessation (during the year, if any)
Whole-time (Functional) Directors - Executive		
Shri Yogesh Kumar Misra Chairman & Managing Director and CEO with additional charge of Director (Works)	07654014	Ceased to be Director (Works) w.e.f. 04.09.2021. Appointed as Chairman & Managing Director and CEO on 04.09.2021 and holding additional charge of Director (Works)
Shri Shyam Lal Gupta Director (Projects)	07598920	-
Shri Mohit Sinha Director (Finance)*	00843548	Appointed on 03.12.2021
Shri Sunil Kumar Chaudhary Chairman & Managing Director & Chief Executive Officer (CEO)	00515672	Ceased to be CMD and CEO w.e.f. 30.04.2021
Shri Mukesh Kumar Singh Director (Finance) & Chief Financial Officer (CFO)**	06607392	Ceased to be CFO w.e.f. 11.06.2021 and ceased to be Director (Finance) w.e.f. 30.09.2021.
Government Nominee [Part-time (Official)] Directors – Non-Executive		
Shri Dhananjaya Singh	08955500	-
Shri Rajesh Argal	09171980	Appointed on 13.05.2021
Independent [Part-time (Non-Official)] Directors - Non-Executive		
Shri Ajay Kumar Chauhan	09394953	Appointed on 11.11.2021
Shri Dipendra Kumar Gupta	09398271	Appointed on 16.11.2021
Smt. Ranjana Upadhyay	07787711	Appointed on 16.11.2021
Dr. Kartik Chandulal Bhadra	09453387	Appointed on 31.12.2021

*Shri Mohit Sinha, IRAS, Additional Member (Revenue), Railway Board, entrusted with the additional charge of Director (Finance) w.e.f. 03.12.2021.

** Assumed the additional charge of the post of Chairman & Managing Director and CEO w.e.f. 01.05.2021 and 11.06.2021 respectively, upto 04.09.2021 on appointment of Shri Yogesh Kumar Misra as CMD & CEO of the Company.

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2.2 BOARD COMPOSITION, CATEGORY OF DIRECTORS, DETAILS OF DIRECTORSHIP IN OTHER COMPANIES AND MEMBERSHIP / CHAIRMANSHIP IN BOARD COMMITTEE(S) AS ON MARCH 31, 2022

Sr. No.	Category & Name of Directors	No. & Name of Directorships in Other Companies ¹	No. and Names of the Board Committee(s) in other companies of which director is a Member/ Chairperson ²	No. of shares held
Whole-time (Functional) Directors – Executive				
1	Shri Yogesh Kumar Misra	1. Ircon Infrastructure & Service Limited	Nil	3,000
2	Shri Mohit Kumar Sinha	Nil	Nil	Nil
3	Shri Shyam Lal Gupta	1. Chhattisgarh East Railway Limited 2. Chhattisgarh East-West Railway Limited 3. Mahanadi Coal Railway Limited 4. Bastar Railway Private Limited	Nil	10,600
Government Nominee [Part-time (Official)] Directors – Non-Executive				
4	Shri Dhananjaya Singh	<u>As a Government Nominee Director</u> 1. Rail Vikas Nigam Limited – Listed Company 2. Pipavav Railway Corporation Limited 3. Kerala Rail Development Corporation Limited 4. Kolkata Metro Rail Corporation Limited.	Nil	Nil
5	Shri Rajesh Argal	<u>As a Government Nominee Director</u> 1. Container Corporation of India Limited – Listed Company 2. Rail Vikas Nigam Limited – Listed Company 3. Mumbai Railway Vikas Corporation Limited	Nil	Nil
Independent [Part-time (Non-Official)] Directors – Non - Executive				
6.	Shri Ajay Kumar Chauhan	Nil	Nil	Nil
7.	Shri Dipendra Kumar Gupta	Nil	Nil	Nil
8.	Smt. Ranjana Upadhyay	Nil	Nil	Nil
9.	Dr. Kartik Chandulal Bhadra	Nil	Nil	Nil

Foot Notes:

1. Number of Directorships held excludes Foreign Companies and Section 8 Companies, if any.
2. 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.
3. None of the Directors on the Board hold directorships, including alternate directorships at the same time in more than twenty (20) Companies/ Ten (10) public limited companies.
4. None of the Director holds directorship in more than seven (7) listed entities. Further, none of the Directors serves as an independent director in more than seven (7) listed entities.
5. None of the whole-time director/managing director serves as an independent director in any listed entities.
6. No relationship exists between directors inter-se. Shri Dhananjaya Singh & Shri Rajesh Argal, Government Nominee (Part-Time Official) Directors are the officials from the Ministry of Railways and thus related to the promoter, though no personal relationship exists between them nor with the Company.

2.3 BOARD MEETINGS AND AGM HELD DURING FY-2021-22:

During FY2021-22, the Board of Directors of the Company met nine times. Details of the Board Strength and number of directors attended the Board Meetings are mentioned below. None of the Board Meeting was held with a gap of more than 120 days.

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Date of the Meeting	Board Strength	No. of Directors Present
April 05, 2021	5	5
June 11, 2021	5	5
June 30, 2021	5	5
August 12, 2021	5	4
August 24, 2021	5	5
November 12, 2021	5	4
December 17, 2021	8	8
January 05, 2022	9	8
February 14, 2022	9	9

The table below shows attendance of the Board members at the Board Meetings held during the FY 2021-22 and in the last Annual General Meeting (AGM):

Name of Director	Meeting date								Total Board meetings held during the tenure	No. of Board meetings attended	% of Attendance in Board Meeting	Whether attended last AGM held on 24.09.2021
	05.04.2021	11.06.2021	30.06.2021	12.08.2021	24.08.2021	12.11.2021	17.12.2021	05.01.2022				
Shri Yogesh Kumar Misra	✓	✓	✓	✓	✓	✓	✓	✓	9	9	100	✓
Shri Shyam Lal Gupta	✓	✓	✓	✓	✓	✓	✓	✓	9	9	100	✓
Shri Mohit Sinha	-	-	-	-	-	-	✓	✓	3	3	100	NA
Shri Dhananjaya Singh	✓	✓	✓	x	✓	✓	✓	x	9	7	77.78	✓
Shri Rajesh Argal	-	✓	✓	✓	✓	x	✓	✓	8	7	87.5	✓
Shri Ajay Kumar Chauhan	-	-	-	-	-	✓	✓	✓	4	4	100	NA
Shri Dipendra Kumar Gupta	-	-	-	-	-	-	✓	✓	3	3	100	NA
Smt. Ranjana Upadhyay	-	-	-	-	-	-	✓	✓	3	3	100	NA
Dr. Kartik Chandulal Bhadra	-	-	-	-	-	-	-	✓	2	2	100	NA
Shri Sunil Kumar Chaudhary	✓	-	-	-	-	-	-	-	1	1	100	NA
Shri Mukesh Kumar Singh	✓	✓	✓	✓	✓	-	-	-	5	5	100	✓

2.4 BOARD MEMBERSHIP CRITERIA

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

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

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

SN.	Category & Name of the Director	Required Expertise/Skill
1.	Whole-time (Functional) Directors – Executive	
	i) Chairman & Managing Director	<p>Mandatory:</p> <p>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:</p> <p>Degree in Civil Engineering/Technical/MBA qualification and familiarity with Finance/ Marketing/ Projects.</p> <p>Experience of infrastructure projects, especially railway projects, techniques of organisational planning and manpower development in the railway's industry.</p>

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SN.	Category & Name of the Director	Required Expertise/Skill
	ii) Director (Projects)	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. Desirable: Preferably holding MBA/ Technical qualifications.
	iii) Director (Works):	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. Desirable: Preferably holding MBA/ Technical qualifications.
	iv) Director (Finance)	Mandatory: (i) Chartered Accountant or Cost Accountant or a full-time MBA/PGDM (with specialisation in Finance) course with a good academic record from a recognised University/ Institution with adequate experience at a senior level in an organisation of repute. (ii) Officers of Organised Group 'A' Accounts Services level working at an appropriate level are exempted from minimum qualification as per(i). (iii) Officers of Central Government/Armed Forces of the Union/All India Services with adequate and relevant experience are exempted from the minimum qualification as per above (i). Adequate experience at a senior level in Corporate Financial Management and Accounts, including cost, budgetary control, institutional finance, working capital management.
2	Government Nominee [Part-time (Official)] Directors – Non-Executive - (2 Directors)	As may be decided by the Government of India (Ministry of Railways).
3	Independent Directors [Part-time (Non-Official) Director - Non-Executive - (6 Directors)	As may be decided by the Government of India (Ministry of Railways).

The functional directors, government nominee directors and independent directors of the Company during the Financial Year 2021-22 possess the requisite skill / expertise / competences as decided by the PESB, Government of India.

Considering the industry sector and other managerial skills, as on 31.03.2022, Directors of IRCON possess the following expertise and skills

Name of the Directors	Area of expertise and skills							
	Industry Knowledge & Experience	Financial Management	Corporate Planning & Management Strategy	Leadership	Technological Knowledge	Board Practices and Governance	Business Development	Global Outlook
Functional Directors:								
Shri Yogesh Kumar Misra Chairman & Managing Director and CEO	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shyam Lal Gupta Director (Projects)	✓	✓	✓	✓	✓	✓	✓	✓
Shri Mohit Sinha Director (Finance)	✓	✓	✓	✓	✓	✓	✓	✓
Government Nominee Directors:								
Shri Rajesh Argal	✓	✓	✓	✓	✓	✓	✓	✓
Shri Dhananjaya Singh	✓	✓	✓	✓	✓	✓	✓	✓
Independent Directors:								
Shri Ajay Kumar Chauhan	✓	✓	✓	✓	✓	✓	✓	✓
Shri Dipendra Kumar Gupta	-	-	-	✓	✓	✓	✓	✓
Smt. Ranjana Upadhyay	-	✓	-	✓	✓	✓	✓	✓
Dr. Kartik Chandulal Bhadra	-	-	-	✓	✓	✓	✓	✓

Expertise and Skills of the Directors are available on the website of the Company i.e., www.ircon.org.

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2.5 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.

2.6 NEW DIRECTORS APPOINTED/ RE-APPOINTED DURING FY2021-22:

a. Shri Rajesh Argal [DIN: 09171980] – (from 13.05.2021):

Shri Rajesh Argal, Additional Member (Planning), Railway Board was appointed on the Board of IRCON as Government Nominee [Part-Time (Official)] Director. Shri Argal belongs to Indian Railway Service of Engineers (IRSE) officer of 1983 batch. He holds a bachelor's degree in Civil Engineering from the MACT (Maulana Azad Collage of Technology), Bhopal. He had over 36 years of rich and varied experience in Railways. His immediate past assignments include Chief Administrative Officer (Construction), West Central

Railway, Jabalpur. Chief Safety Officer, West Central Railway, Jabalpur. Divisional Railway Manager at Malda. As an Additional Member (Planning), Railway Board, he entailed planning and budgeting of Railway Infrastructure projects including prioritization of investment and execution of the same and is also the coordinator for National Infrastructure Pipeline Projects in the Railway Board.

b. Shri Mohit Sinha [DIN: 0843548] – (from 03.12.2021 to 19.04.2022):

Shri Mohit Sinha, IRAS, Additional Member (Revenue), Railway Board, was entrusted with the additional charge of the post of Director (Finance) of the Company. Shri Sinha is a graduate and belongs to Indian Railway Accounts Service Officer (IRAS) of 1986 batch. Shri Sinha joined Railways in the year 1988 and since then he had been working in various capacities in Railways. He had over 34 years of rich and varied experience in Railways. He had been working as Additional Member (Revenue), Railway Board.

c. Shri Ajay Kumar Chauhan [DIN: 09394953] – (from 11.11.2021):

Shri Ajay Kumar Chauhan was appointed as an Independent [Part-time (Non-Official)] Director on the Board of IRCON by the Government of India. Shri Chauhan belongs to Indian Revenue Service (IRS) 1984 Batch and has served at senior positions in Tax administration, Investigation, Quasi-judicial, Audit, Litigation and Research divisions of the Department. He was also on deputation as the first Director General of the Competition Commission of India, Ministry of Corporate Affairs, wherein some big cases of cartel, bid rigging and abuse of dominance etc. were investigated during his tenure.

Shri Chauhan holds M.B.A degree from Graduate School of Business, University of Sydney, M.Phil. (Organization Behavior) and M.A. (Industrial Psychology) from University of Delhi, B.A. (Hons.) from Aligarh University. Further he holds several Diploma / Certificate on Advanced Management, Competition Laws & practices and Corporate Governance from Syracuse University, OECD and IIM.

He is a recipient of the prestigious Merit Scholarship awarded by Asian Development Bank, Manila and "Innovator of the year 2017" bestowed by the Commerce & Professional Institutions of Madhya

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Pradesh. He has been the Chairman/ Member of several committees: Competition law amendment committee, National faceless assessment scheme, Regional Economic Intelligence Council and Business process re-engineering project.

d. Shri Dipendra Kumar Gupta [DIN: 09398271] - [from 16.11.2021]:

Shri Dipendra Kumar Gupta was appointed as an Independent [Part-time (Non-Official)] Director on the Board of IRCON. Shri Gupta has done graduation from Patna University. He had specialization in the field of Management, Sales & Marketing. Shri Gupta has an eminence with proven track record from business and agriculture and also a dedicated social worker. He had served as a State Advisor in Nehru Yuva Kendra from 2015 to 2018; District advisor in Telephone Advisory Committee from 2010 – 2013 and had also been a member of Zila Bissutri.

e. Smt. Ranjana Upadhyay [DIN: 07787711] – (from 16.11.2021):

Smt. Ranjana Upadhyay was appointed as an Independent [Part-time (Non-Official)] Director on the Board of IRCON. She holds a degree in Bachelor of Journalism and Masters of Journalism from Mahatma Gandhi Chitrakoot Gramodaya Vishwavidyalaya, Chitrakoot, Satna, Madhya Pradesh. She has been a social worker and a writer for the Hindustan Times (2002-2004); Editor and News Reader for City News, Chitrakoot (2003- 2007). Further, she had also been an active member of Drishti, an NGO for blind people and Bharat Kalyanmanch, an NGO to improve the living, social and economy condition of economically backward people.

f. Dr. Kartik Chandulal Bhadra [DIN: 09453387] – (from 31.12.2021):

Dr Kartik Chandulal Bhadra was appointed as an Independent [Part-time (Non-Official)] Director on the Board of IRCON. Dr. Bhadra is a Pediatrician Doctor in Kalrav Children Hospital in Valsad, Gujarat since 1991. He has been an eminent pediatrician of South Gujarat and has a well-equipped Hospital with state-of-the-art facilities where he has been practicing medicine and serving the community for the past 29 years. He is the Vice President trustee of Vidhyabharti affiliated school “Shree Saraswati Shishu Mandir” where over

800 students from lower socioeconomic status come to receive an education of a higher standard. Dr Bhadra has established UDAN (Unnat Desh - Adarsh Nagrik) foundation- a unique awareness programme managed and operated by Dr Bhadra and his patriotic team of stalwarts from different spheres of life.

Detailed profile of all the existing Directors can be viewed on the website at www.ircon.org

2.7 DETAILS OF REASONS FOR THE RESIGNATION OF INDEPENDENT DIRECTORS, IF ANY:

During FY2021-22, none of the Independent Directors resigned or vacated their office before the expiry of their tenure.

2.8 BOARD INDEPENDENCE

During the FY 2021-22, 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.

2.9 FAMILIARISATION PROGRAMME / TRAINING FOR BOARD MEMBERS:

The Company has framed a training policy for its directors, which aims at honing leadership qualities and providing a platform to share the knowledge, skills and expertise gained by the Directors. They are also provided documents about the Company which includes the Company’s Profile, Memorandum and Articles of Association, Brochure, Annual Report, MoU targets and achievements, a paper on “Ethics & Governance”-a perspective by CVC, and Board-approved policies, DPE Guidelines 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

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and presentations. The details of such familiarisation programmes are disclosed on the Company's website 'www.ircon.org' at web link https://www.ircon.org/images/DETAILS_OF_FAMILIARIZATION_PROGRAMMES.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
- Risk Management Committee
- Corporate Social Responsibility & Sustainability Committee
- Project Progress Review Committee.

The Chairman of the Board, in consultation with the Company Secretary and the Chairman of the respective 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. However, the composition and quorum of the Audit Committee was not in compliance as per the statutory requirements upto November 17, 2021 and subsequent to appointment of Independent Directors by the Ministry of Railways on the Board, the composition and quorum of the Audit Committee is in compliance w.e.f. November 18, 2021.

The Committee has been reconstituted as and when there has been a change in directors. The composition of Audit Committee during the year was as follows:

From 01.04.2021 till 10.06.2021	From 11.06.2021 till 17.11.2021	From 18.11.2021 till 31.03.2022
Chairperson		
Shri Dhananjaya Singh Govt. Nominee Director	Shri Rajesh Argal Govt. Nominee Director	Shri Ajay Kumar Chauhan Independent Director
Members		
Shri Yogesh Kumar Misra Director (Works)	Shri Dhananjaya Singh Govt. Nominee Director	Shri Rajesh Argal Govt. Nominee Director
Shri Shyam Lal Gupta Director (Projects)	Shri Yogesh Kumar Misra Director (Works)	Smt. Ranjana Upadhyay Independent Director

Ms. Ritu Arora, Company Secretary, is the Secretary to the Audit Committee.

During FY2021-22, the Audit Committee met 10 times. Items discussed / approved by the Audit Committee inter-alia include Quarterly & Annual Financial Results, Capital Budgets, Investment into subsidiaries/ joint ventures, Related Party Transactions, Internal Financial Controls, Risk Management Policy and C&AG Paras etc.

Details of the number of meetings of the Audit Committee held and attendance details for the FY 2021-22 are mentioned below:

Name of Director	Meeting date										Total meetings held during the tenure	No. of meetings attended
	05.04.2021	11.06.2021	30.06.2021	11.08.2021	12.08.2021	12.11.2021	17.12.2021	05.01.2022	14.02.2022	25.02.2022		
Shri Dhananjaya Singh	✓	✗	✓	✗	✗	✓	-	-	-	-	6	3
Shri Yogesh Kumar Misra	✓	✓	✓	✓	✓	✓	-	-	-	-	6	6
Shri Shyam Lal Gupta	✓	✓	-	-	-	-	-	-	-	-	2	2
Shri Rajesh Argal	-	-	✓	✓	✓	✗	✓	✓	✓	✗	8	6
Shri Ajay Kumar Chauhan	-	-	-	-	-	-	✓	✓	✓	✓	4	4
Smt. Ranjana Upadhyay	-	-	-	-	-	-	✓	✓	✓	✓	4	4

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Shri Rajesh Argal, Chairperson of the Audit Committee was present at the Annual General Meeting held on September 24, 2021 to answer the queries of the shareholders.

The above meetings of Audit Committee were also attended by Company Secretary as the Secretary to the Committee, Director (Finance) and Chief Financial Officer as permanent invitees. Further, CGM (Finance), Internal Auditor, Statutory Auditors and Cost Auditors, other Executive Directors and Functional Heads as special invitees, were also invited subject to their requirement and attended the meetings to provide necessary inputs to the Audit Committee. The recommendations of the Audit Committee were accepted by Board of Directors during the financial year 2021-22.

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

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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 ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
18. Reviewing the financial statements and in particular the investments made by the unlisted subsidiary.

F. Others:

19. Scrutiny of inter-corporate loans and investments.
20. Valuation of undertakings or assets of the company, wherever it is necessary.
21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

22. To review the functioning of the whistle blower mechanism and to protect whistle blowers.
23. Reviewing, after the close of the financial year, the compliance with respect to the provisions of SEBI PIT 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.

3.2 NOMINATION AND REMUNERATION COMMITTEE (NRC)

1. Composition, Meeting and Attendance:

The composition, terms of reference, quorum, and the scope of Nomination & Remuneration Committee (NRC) are in accordance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and DPE Corporate Governance Guidelines as amended from time to time. However, the composition and quorum of the NRC was not in compliance with the statutory requirements upto November 17, 2021 and subsequent to appointment of Independent Directors on the Board, the composition and quorum of the NRC is in compliance w.e.f. November 18, 2021.

The Committee has been reconstituted as and when there has been a change in directors. During the year, due to non-availability of Part-Time (Official) Directors and / or Independent Directors, NRC was suspended till June 10, 2021. The composition of Nomination and Remuneration Committee (NRC) during the year was as follows:

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From 11.06.2021 till 17.11.2021	From 18.11.2021 till 31.12.2021	From 01.01.2022 till 31.03.2022
Chairperson		
Shri Rajesh Argal Govt. Nominee Director	Shri Ajay Kumar Chauhan Independent Director	Shri Ajay Kumar Chauhan Independent Director
Members		
Shri Dhananjaya Singh Govt. Nominee Director	Shri Rajesh Argal Govt. Nominee Director	Shri Rajesh Argal Govt. Nominee Director
Shri Shyam Lal Gupta Director (Projects)	Shri Dhananjaya Singh Govt. Nominee Director	Shri Dipendra Kumar Gupta Independent Director
-	Shri Dipendra Kumar Gupta Independent Director	-

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

During FY2021-22, five meetings of the Nomination & Remuneration Committee were held. Details of the number of meetings of the NRC held and attendance details for the FY 2021-22 are mentioned below:

Name of Director	Meeting date					Total meetings held during the tenure	No. of meetings attended
	29.06.2021	29.11.2021	17.12.2021	11.02.2022	25.02.2022		
Shri Rajesh Argal	✓	✗	✓	✓	✓	5	4
Shri Dhananjaya Singh	✓	✓	✗	-	-	3	2
Shri Shyam Lal Gupta	✓	-	-	-	-	1	1
Shri Ajay Kumar Chauhan	-	✓	✓	✓	✓	4	4
Shri Dipendra Kumar Gupta	-	✓	✓	✓	✓	4	4

Shri Rajesh Argal, Chairperson of the Nomination & Remuneration Committee was present at the Annual General Meeting held on September 24, 2021 to answer queries of the shareholders.

2. TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee (NRC) include the areas specified by SEBI (LODR) 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 April 02, 2018 to IRCON].

The terms of reference of the Nomination and Remuneration Committee are as follows:

- To decide and approve the annual bonus/variable pay pool/performance-related pay and policy for its distribution across executives and non-unionised supervisors within limits prescribed in the DPE Guidelines.
- To review the policies for the selection and removal of persons in Senior Management and other employees as per DPE and other Government

Guidelines and recommend the same for approval to the Board.

- To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To recommend to the Board of Directors a policy relating to the remuneration, in whatever form, for the key managerial personnel, senior management and other employees.
- To carry out any other functions as may be included under the Companies Act, 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)

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(below the Board level) and the functional heads.

3. PERFORMANCE EVALUATION OF BOARD MEMBERS:

Ministry of Corporate Affairs has, vide its notification dated June 05, 2015, notified the exemptions to Government Companies from certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding a statement indicating the manner of formal annual evaluation of Board, shall not apply to Government Companies in case the Directors are evaluated by the Ministry which is administratively in charge of the Company as per its evaluation methodology. Further, the aforesaid circular issued by the MCA has also exempted that sub-section (2), (3) & (4) of Sec. 178 regarding the appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

Further, MCA vide its notification dated July 05, 2017 has made an amendment in the Schedule IV of the act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Directors of Non-Independent Directors and Chairman and performance evaluation of the Independent Director by the Board if the concerned department or ministries 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 is done through a system of Annual Performance Appraisal Report (APAR) by Ministry of Railways. Further, the performance evaluation of the Company

is done through the evaluation of the Memorandum of Understanding entered with Ministry of Railways, and the said evaluation is submitted to Department of Public Enterprises through the Administrative Ministry. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals and the team. The internal MoU covers various parameters including financial, non-financials and compliances of government guidelines etc.

In respect of Government Nominee Directors, their evaluation is done by the 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.

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition, terms of reference, quorum, and the scope of Stakeholders' Relationship Committee (SRC) are in accordance with the Companies Act, 2013, and SEBI (LODR) Regulations, 2015. However, the composition of Stakeholders' Relationship Committee was not in compliance with the requirement of Regulation 20 (2A) of the SEBI (LODR) Regulations, 2015 due to not having any Independent Director on the Board upto November 17, 2021 and subsequent to appointment of Independent Directors on the Board, the composition of Stakeholders Relationship Committee is in compliance w.e.f. November 18, 2021.

The Committee has been reconstituted as and when there has been a change in directors. The composition of Stakeholders' Relationship Committee during the year was as follows:

From 01.04.2021 till 17.11.2021	From 18.11.2021 till 31.03.2022
Chairperson	
Shri Dhananjaya Singh Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director
Members	
Shri Mukesh Kumar Singh* Director (Finance)	Shri Shyam Lal Gupta Director (Projects)
Shri Shyam Lal Gupta Director (Projects)	Shri Ajay Kumar Chauhan Independent Director

* Director upto 30.09.2021.

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

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During the FY 2021-22, one meeting of Stakeholders Relationship Committee was held. Details of the number of meeting of the SRC held and attendance details for the FY 2021-22 are mentioned below:

Name of Member	Meeting Date	Total Meeting held during the tenure	No. of Meeting attended
	11.02.2022		
Shri Dhananjaya Singh	✗	1	0
Shri Shyam Lal Gupta	✓	1	1
Shri Ajay Kumar Chauhan	✓	1	1

Shri Dhananjaya Singh, Chairperson of the Stakeholders Relationship Committee was present at the Annual General Meeting held on September 24, 2021 to answer queries of the shareholders.

1. TERMS OF REFERENCE

Terms of Reference of the Stakeholders Relationship Committee includes the following areas as specified under section 178 of the Companies Act, 2013, along with Regulation 20 of the SEBI (LODR) 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.
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and

ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.

- To carry out any other function as may be required under Companies Act, or DPE Guidelines, or SEBI (LODR) Regulations, 2015 or other matters, if any required by the stock exchanges from time to time.

2. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Ms Ritu Arora, Company Secretary, is the Compliance Officer of the Company in terms of SEBI (LODR) Regulations, 2015.

3. DETAILS OF SHAREHOLDER'S COMPLAINTS

The Company as well as the Registrar and Transfer Agent of the Company have attended the Investor's grievances expeditiously. At the beginning of the year i.e., as on 01.04.2021, 12 complaints were pending and a total of 508 queries / complaints from Shareholders were received during the year 2021-22. All complaints / grievances were resolved to the satisfaction of the shareholders. The details are as follows:

NATURE OF COMPLAINT	PENDING COMPLAINTS (as on 01.04.2021)	RECEIVED	RESOLVED	PENDING
Status of Applications Lodged for Public Issues / splitting of shares / clarification regarding shares	1	139	140	Nil
Non-Receipt of Dividend warrants (Including Enquires)	10	266	276	Nil
Non-receipt of Electronic Credits	Nil	89	89	Nil
SEBI Complaints (related to non-receipt of Dividend)	Nil	6	6	Nil
Miscellaneous	1	8	9	Nil
TOTAL	12	508	520	Nil

3.4 RISK MANAGEMENT COMMITTEE

As per SEBI (LODR) Regulations, 2015, the requirement of constituting Risk Management Committee in the Company became applicable with effect from April 01, 2019;

however, the Company is already having Board level Risk Management Committee since 2014 comprising three Functional Directors. During the FY, in terms of the amendments introduced in SEBI (LODR) Regulations, 2015, the Enterprise Risk Management Policy of the Company

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has been accordingly revised and is implemented by the Board w.e.f. January 01, 2022.

The composition, terms of reference, quorum and the scope of Risk Management Committee (RMC) are in accordance with the statutory requirements of SEBI (LODR) Regulations, 2015. However, during the FY 2021-22, the composition of RMC was not in compliance w.e.f. May 05, 2021 upto November 17, 2021; subsequent to appointment of Independent Directors on the Board, the composition of RMC is in compliance w.e.f. November 18, 2021.

1. COMPOSITION

The Company has a Risk Management Committee comprising of three Board Members, including one Independent Director. A rapid action group comprising of top-level management and Business Unit Heads (Project Heads) is also in place and the objective of the group is to mitigate key risks-inherent in Business process and maintain productivity and efficiency.

The Committee has been reconstituted as and when there has been a change in directors. The composition of RMC during the year was as follows:

From 01.04.2021 till 17.11.2021	From 18.11.2021 till 31.03.2022
Chairperson	
Shri Mukesh Kumar Singh* Director (Finance)	Shri Shyam Lal Gupta Director (Projects)
Members	
Shri Yogesh Kumar Misra Director (Works)	Shri Rajesh Argal Govt. Nominee Director
Shri Shyam Lal Gupta Director (Projects)	Shri Dipendra Kumar Gupta Independent Director

* Director upto 30.09.2021

During FY2021-22, two meetings of Risk Management Committee were held. Details of the number of meetings of the RMC held and attendance details are mentioned below:

Name of Member	Meeting Date		Total Meetings held during the tenure	No. of Meetings attended
	16.09.2021	04.03.2022		
Shri Mukesh Kumar Singh	✓	–	1	1
Shri Yogesh Kumar Misra	x	–	1	0
Shri Shyam Lal Gupta	✓	✓	2	2
Shri Rajesh Argal	–	✓	1	1
Shri Dipendra Kumar Gupta	–	✓	1	1

2. TERMS OF REFERENCE:

The terms of reference of the Risk Management Committee includes-

- Identification of key risk bearing activities.
- Classification of gaps with respect to risk potential as compared to best business practices: Minor; significant or critical, substantial or major
- Identifying gaps in the current business process for any uncovered potential threat.
- Setting up risk assessment control systems.
- Providing guidelines relating to drafting/ modification of Business Operating Procedures, and their documentation.
- Review of risk assessment reports compiled by Rapid Action Group and giving directions for improvements and Providing feedback on the Rapid Action Group's report on the operational capabilities, and preparedness of IRCON for potential business.
- Formulation of detailed Risk Management Policy including framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; Measures for risk mitigation including systems and processes for internal control of identified

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risks; and Business continuity plan. Monitoring, overseeing implementation and review of the risk management policy, including evaluating the adequacy of risk management systems

- h) Providing assurance to Board of Directors about Risk Management processes' effectiveness and management of Key Risks to acceptable level.

3.5 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE (CSR COMMITTEE)

The composition, terms of reference, quorum and other matters in relation to the Corporate Social Responsibility

& Sustainability Committee (CSR Committee) are as per the requirements specified under section 135 of the Companies Act, 2013 and the applicable rules thereunder, and DPE Guidelines on CSR and Sustainability, 2014. However, during the FY 2021-22, the composition and quorum of CSR Committee was not in compliance with the statutory requirements upto November 17, 2021; subsequent to appointment of Independent Directors on the Board, the composition and quorum of CSR Committee is in compliance w.e.f. November 18, 2021.

1. COMPOSITION, MEETINGS AND ATTENDANCE:

The Committee has been reconstituted as and when there has been a change in directors. The composition of CSR Committee during the year was as follows:

From 01.04.2021 till 17.11.2021	From 18.11.2021 till 31.03.2022
Chairperson	
Shri Mukesh Kumar Singh Director (Finance)*	Smt. Ranjana Upadhyay Independent Director
Members	
Shri Yogesh Kumar Misra Director (works)	Shri Rajesh Argal Govt. Nominee Director
Shri Shyam Lal Gupta Director (Projects)	Shri Shyam Lal Gupta Director (Projects)

* Director upto 30.09.2021.

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

The details of the CSR & Sustainability activities of the Company are provided in the Annual Report and placed on the Website of the Company.

2. MEETINGS AND ATTENDANCE:

During FY 2021-22, the Committee met three times. Details of meeting and attendance details of the CSR & Sustainability Committee are mentioned below:

Name of Director	Meeting date			Total meetings held during the tenure	No. of meetings attended
	05.04.2021	11.08.2021	11.02.2022		
Shri Mukesh Kumar Singh	✓	✓	–	2	2
Shri Yogesh Kumar Misra	✓	✓	–	2	2
Shri Shyam Lal Gupta	✓	✓	✓	3	3
Shri Rajesh Argal	–	–	✓	1	1
Smt. Ranjana Upadhyay	–	–	✓	1	1

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3. TERMS OF REFERENCE

The terms of reference of the CSR Committee, inter – alia, include –

- a. 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.
- b. To appoint a Nodal officer, not below the rank of a Chief General Manager level official, and his team of officials, as thought appropriate in terms of the Guidelines.
- c. To identify / select the various Corporate Social Responsibility activities in line with 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.
- d. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which

inter-alia includes, identification / selection of the Corporate Social Responsibility activities in line with Corporate Social Responsibility and Sustainability Policy of the Company and as per Schedule VII of the Companies Act, 2013 and DPE Guidelines.

- e. To formulate the manner of execution of such projects with schedule; modalities of utilization of funds; monitoring and reporting mechanism; details of need and impact assessment, if any.

3.6 PROJECT PROGRESS REVIEW COMMITTEE:

The Project Progress Review Committee (PRC) was formed by the Board of Directors to review the physical progress and allied activities strictly related to physical progress of the on-going projects (except PMC projects) of the Company and to address possible roadblocks in the smooth execution of the projects. The PRC has been reconstituted as and when there has been a change in the director. During FY 2021-22, the Committee was reconstituted on 11.06.2021.

1. COMPOSITION, MEETINGS AND ATTENDANCE:

The Committee has been reconstituted as and when there has been a change in directors. The composition of PRC during the year was as follows:

From 01.04.2021 till 16.12.2021	From 17.12.2021 till 31.03.2022
Chairperson	
Shri Rajesh Argal Govt. Nominee Director	Shri Rajesh Argal Govt. Nominee Director
Members	
Shri Dhananjaya Singh Govt. Nominee Director	Shri Dhananjaya Singh Govt. Nominee Director
Shri Yogesh Kumar Misra Director (Works) or Shri Shyam Lal Gupta Director (Projects) (for their related projects)	Shri Yogesh Kumar Misra Director (Works) or Shri Shyam Lal Gupta Director (Projects) (for their related projects)
-	Shri Dipendra Kumar Gupta Independent Director

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee.

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2. MEETINGS AND ATTENDANCE:

During FY 2021-22, the Committee met three times. Details of meeting and attendance details of the PRC are mentioned below:

Name of Member	Meeting Date		Total Meetings held during the tenure	No. of Meetings attended
	14.10.2021 to 16.10.2021	18.01.2022		
Shri Rajesh Argal	✓	✓	3	3
Shri Dhananjaya Singh	✗	✗	3	0
Shri Shyam Lal Gupta	✓	✗	3	2
Shri Yogesh Kumar Misra	✗	✓	3	1
Shri Dipendra Kumar Gupta	–	✓	1	1

3.7 MEETING OF INDEPENDENT DIRECTORS:

As per Schedule IV of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 to the extent applicable and DPE-OM dated December 28, 2012 (as amended vide DPE-OM dated June 20, 2013), during the FY 2021-22, one meeting of the Independent Directors was held on March 14 & 15, 2022. Further, suggestions by the independent Directors in their report were duly considered and suitable action have been taken by the Company.

3.8 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 on the terms and conditions issued by the Government.

The Part-Time Official (Non-Executive) Directors nominated on the Board do not draw any remuneration from the Company for their role as a director and they draw their remuneration under Central Dearness Allowance (CDA) pay scales from the Government of India as government officials.

Independent (non-executive) Directors are paid a sitting fee for attending the meetings of the Board and Committee thereof. During FY2021-22, the Independent Directors were paid a sitting fee of ₹ 30,000/- for attending the Board Meeting and ₹ 20,000/- for attending Board Committee Meetings. In March 2022, the Board has approved the revision in sitting fees to ₹ 40,000/- for attending the Board Meeting and ₹ 25,000/- for attending Board Committee Meetings which is subject to approval of the President of India.

a. Details of remuneration of Whole-time Directors during FY2021-22 are given below:

(in ₹)

S. No.	Particulars of Remuneration	Name & Designation Of Directors			
		Shri Yogesh Kumar Misra* Chairman & Managing Director	Shri Shyam Lal Gupta Director (Projects)	Shri M.K. Singh** Director (Finance) (Upto 30.09.2021)	Shri S.K. Chaudhary Chairman & Managing Director (Upto 30.04.2021)
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,52,189	45,19,353	36,66,094	9,41,324
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8,23,044	10,33,063	3,17,423	61,054
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	10,84,893	12,26,203	4,14,944	-
	- Retirement Benefits	6,83,980	7,26,776	7,98,086	58,650
	Total	68,44,106	75,05,395	51,96,547	10,61,028

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* Assumed the charge of the post of Chairman & Managing Director w.e.f. 04.09.2021 and was holding the post of Director (Works) from 01.04.2021 to 03.09.2021.

** Shri M. K. Singh assumed the additional charge of the post of Chairman & Managing Director w.e.f. 01.05.2021 upto 04.09.2021.

b. Details of payments made to Independent Directors [Part-Time Non-Official] Directors during FY2021-22:

(in ₹)

Name of the Independent Director/ Part-Time (Non-Official Directors)	Sitting Fee (₹)		Total
	Board Meetings	Committee Meetings	
Shri Ajay Kumar Chauhan (w.e.f. 11.11.2021)	1,20,000	1,80,000	3,00,000
Shri Dipendra Kumar Gupta (w.e.f. 16.11.2021)	90,000	1,20,000	2,10,000
Smt. Ranjana Upadhyay (w.e.f. 16.11.2021)	90,000	1,00,000	1,90,000
Dr Kartik Chandulal Bhadra (w.e.f. 31.12.2021)	60,000	-	60,000

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
2020-21 (45th AGM)	September 24, 2021	1230 hours	Through Video Conferencing (Registered office was considered as Venue of the Meeting)
2019-20 (44th AGM)	September 29, 2020	1130 hours	Through Video Conferencing (Registered office was considered as Venue of the Meeting)
2018-19 (43rd AGM)	September 03, 2019	1000 hours	Air Force Auditorium, Subroto Park, New Delhi – 110010

Details of Special Resolutions passed in the General Meetings during the last three years: NIL

4.2 SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING FY2021-22:

No special resolution was passed through the postal ballot in the FY 2021-22. However, one ordinary resolution was passed through Postal Ballot on May 11, 2021 for issue of fully paid-up bonus shares in the ratio of 1:1.

Further, pursuant to the amendment of the SEBI (LODR) Regulations 2015, with effect from January 01, 2022, approval of shareholders for appointment of a person on the Board of Directors or as a manager is to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier and approval of the shareholders for the appointment of Independent Directors should be through special resolutions.

Accordingly, after the closure of the Financial Year

2021-22, Special Resolutions for appointment of Shri Ajay Kumar Chauhan, Shri Dipendra Kumar Gupta, Smt. Ranjana Upadhyay and Dr Kartik Chandulal Bhadra as Part-Time (Non-Official) Directors and one ordinary resolution for appointment of Smt. Ragini Advani as Director (Finance) on the Board of the Company through postal ballot was conducted and approved by the Members on June 29, 2022.

These Postal Ballots were conducted by following the process of remote e-voting system in line with the MCA circulars issued by the Ministry of Corporate Affairs from time to time.

4.3 SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT.

No special resolution is proposed to be conducted through Postal Ballot.

5. MEANS OF COMMUNICATION

The Company communicates with its shareholders

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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
- 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 FY2021-22, Quarterly, Half Yearly and Yearly Results were published as follows:

Quarter	Newspaper(s)
Q1 ended 30.06.2021	Financial Express (English), Indian Express (English), Jansatta (Hindi)
Q2 and half year ended 30.09.2021	Financial Express (English), Indian Express (English), Jansatta (Hindi)
Q3 and nine months ended 31.12.2021	Financial Express (English), Indian Express (English), Jansatta (Hindi)
Q4 and the year ended 31.03.2022	Financial Express (English), Indian Express (English), Jansatta (Hindi)

6. GENERAL SHAREHOLDER INFORMATION:

6.1 ANNUAL GENERAL MEETING (AGM) OF THE CURRENT YEAR (THROUGH VIDEO CONFERENCING):

Day & Date: Friday, September 16, 2022

Time: 12.30 PM (IST)

Venue: Registered Office of the Company at C-4, District Centre, Saket, New Delhi- 110017

Notice of AGM : Our Company, as a corporate entity, is committed to protect and conserve the natural environment in its operations and services. As a responsible corporate citizen, the Company supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository Participants / Registrar & Share Transfer Agent. The Annual Reports and the Notice of the AGM are being sent to all the members in the manner prescribed or as may be prescribed in the applicable laws. The Notice and Annual Report 2021-22 can also be accessed from the websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also available at website of National Securities Depository Limited ("NSDL") at www.evoting.nsd.com.

6.2 FINANCIAL YEAR

The Company's Financial Year is from 1st April to 31st March.

6.3 BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 10, 2022 to Friday, September 16, 2022 (both days inclusive).

6.4 PAYMENT OF DIVIDEND

The Board of Directors of the Company has recommended a final dividend at the rate of ₹ 0.65 per share of face value of ₹ 2/- each [i.e., 32.50% of paid-up share capital of ₹ 188.10 Crore] amounting to ₹ 61.13 Crore for the financial year ended March 31, 2022 over and above the total Interim Dividend of ₹ 1.85 per share of face value of ₹ 2/- each (i.e., 92.50% of paid-up share capital of ₹ 188.10 Crore) amounting to ₹ 174 Crore declared and paid during the year.

During the year, the Company declared and paid interim dividend thrice. The first interim dividend for the quarter ending June 30, 2021 was declared at

CORPORATE GOVERNANCE REPORT

the rate of ₹ 0.45 per equity share aggregating to approximately ₹ 42.33 Crore (i.e. 22.50% of the paid-up equity share capital of ₹ 188.10 Crore); the second and third interim dividend for the quarter ending on September 30, 2021 and December 31, 2021, were at the rate of ₹ 0.70 per equity share aggregating to approximately ₹ 65.84 Crore each (i.e. 35% of the paid-up share capital of ₹ 188.10 Crore each), these were paid on September 06, 2021, December 07, 2021 and March 08, 2022, respectively.

The final dividend on equity shares will be paid onwards Tuesday, October 04, 2022 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 Friday, September 09, 2022.

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	Payment Date of Dividend
2013-2014	19.796	182.12 (₹ 92 per share)	31.01.2014*	Interim	25.02.2014
			25.09.2014	Final	17.10.2014
2014-2015	19.796	182.12 (₹ 92 per share)	28.01.2015*	Interim	24.02.2015
			22.12.2015	Final	18.01.2016
2015-2016	19.796	168.26 (₹ 85 per share)	19.02.2016*	Interim	14.03.2016
			28.09.2016	Final	21.10.2016
2016-2017	19.796 +79.184#	79.05	20.01.2017*	Interim	14.02.2017
	19.796 +79.184#	16.10	23.03.2017*	Additional Interim	27.03.2017
	19.796 +79.184#	97.25	28.09.2017	Final	24.10.2017
2017-2018	94.05	192.40 (₹ 20.46 per share)	20.03.2018*	Interim	28.03.2018
			14.09.2018	Final	10.10.2018
2018-2019	94.05	202.64 (₹ 21.54 per share)	07.02.2019*	Interim	26.02.2019
			28.05.2019	Final	18.09.2019
2019-2020	94.05	223.48 (per share)\$	11.02.2020*	Interim	03.03.2020
			10.07.2020	Final	14.10.2020
2020-2021	94.05	61.13** (₹ 1.30 per share)	15.02.2021	Interim	03.03.2021
	188.10***	159.89** (₹ 1.70 per share)	12.08.2021	Final	12.10.2021
2021-2022	188.10	42.32** (₹ 0.45 per share)	12.08.2021*	1 st interim dividend	06.09.2021
	188.10	65.84** (₹ 0.70 per share)	12.11.2021*	2 nd interim dividend	07.12.2021
	188.10	65.84** (₹ 0.70 per share)	14.02.2022*	3 rd interim dividend	08.03.2022
	188.10	61.13** (₹ 0.65 per share)	27.05.2022	Final Dividend	04.10.2022

*Date of Board Meeting in which interim dividend was declared.

** face value of ₹ 2 each.

*** subsequent to bonus issue in the ratio of 1:1, paid-up capital increased from ₹ 94.05 Crore to ₹ 188.10 Crore w.e.f. 23.05.2021.

#Interim, additional interim and the final dividend was paid on the Bonus share capital of ₹ 79.184 Crore (for 70 days proportionately on bonus shares allotted on 05.01.2017).

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\$ Interim dividend was paid @ ₹ 13.45 per share at a face value of ₹ 10 each and final dividend was paid @ ₹ 2.06 per share of face value of ₹ 2/- each.

6.6 DIVIDEND DISTRIBUTION POLICY:

The Company has a Dividend Distribution Policy approved by its Board of Directors. The intent of the policy is to broadly specify the parameters (external and internal factors) that shall be considered while declaring dividend and the circumstances under which shareholders of the Company may/ may not expect dividend and how the retained earnings shall be utilised. The Policy is annexed to the Board's Report and has also been hosted on the Website of the Company.

6.7 LISTING ON STOCK EXCHANGE:

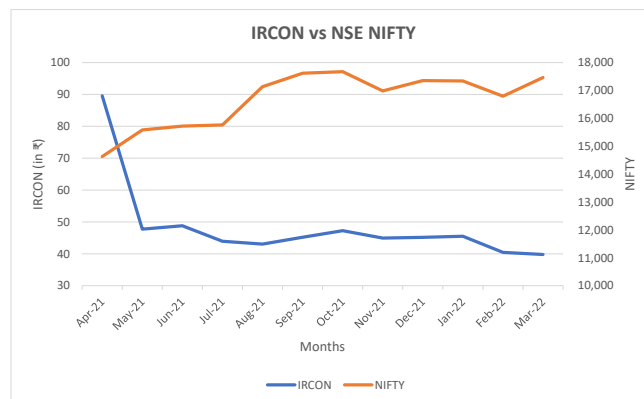
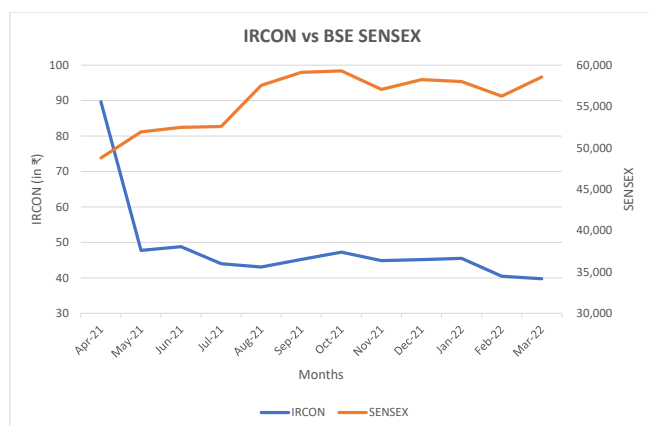
The Company got listed on 28.09.2018 on the following Stock Exchanges. The payment of the annual listing fee for FY2021-22 has been made to National Stock Exchange of India Limited and BSE Ltd. The ISIN of Company is INE962Y01021.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED	BSE LIMITED
Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
Scrip Code: IRCON	Scrip Code: 541956

6.8 IRCON'S SHARES MARKET PRICE DATA FOR FY 2021-22

Month	NSE				BSE				INDEX	
	High	Low	Close	Volume	High	Low	Close	Volume	NSE NIFTY	BSE SENSEX
	in ₹			(in no. of shares)	in ₹			(in no. of shares)		
Apr-21	92.35*	85.20*	89.55*	4,67,70,631	92.40*	85.25*	89.65*	39,66,077	14,631.10	48,782.36
May-21	101.90*	47.65	47.75	8,55,28,964	102.00*	47.65	47.75	81,42,540	15,582.80	51,937.44
Jun-21	49.85	45.30	48.80	8,15,22,587	49.85	45.25	48.80	1,13,12,429	15,721.50	52,482.71
Jul-21	49.30	43.10	43.95	4,45,65,055	49.80	43.20	44.00	55,46,492	15,763.05	52,586.84
Aug-21	46.20	40.15	43.05	5,21,25,006	46.15	40.05	43.05	55,16,991	17,132.20	57,552.39
Sep-21	46.70	42.80	45.20	5,28,93,304	46.60	42.80	45.20	65,32,218	17,618.15	59,126.36
Oct-21	53.40	44.75	47.25	12,92,99,560	53.35	44.80	47.25	1,50,34,469	17,671.65	59,306.93
Nov-21	50.75	43.75	44.95	4,56,96,138	50.70	43.70	44.85	72,18,253	16,983.20	57,064.87
Dec-21	47.80	43.85	45.15	2,87,39,054	47.90	43.90	45.15	47,85,158	17,354.05	58,253.82
Jan-22	48.25	44.05	45.50	3,16,80,773	48.15	44.00	45.50	48,52,149	17,339.85	58,014.17
Feb-22	46.40	39.10	40.45	2,50,47,647	46.40	39.00	40.45	36,29,963	16,793.90	56,247.28
Mar-22	41.85	39.25	39.80	2,08,86,096	41.90	39.25	39.75	40,14,513	17,464.75	58,568.51

* Before issue of Bonus Shares in the Ratio of 1:1



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6.9 SECURITIES OF THE COMPANY HAVE NOT BEEN SUSPENDED FROM TRADING DURING FY2021-22.

6.10 REGISTRAR AND TRANSFER AGENT FOR SHARES

During the FY 2021-22, the Registrar and Transfer Agent for shares was as follows:

Alankit Assignments Limited (w.e.f. 05.01.2022)

205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi-110055
Tel No.: 011-42541234
Fax No.: 011-23552001
Email: rta@alankit.com
Website: www.alankit.com

KFin Technologies Private Limited (upto 04.01.2022)

(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: 1-800-309-4001
Email: einward.ris@kfintech.com

6.11 SHARE TRANSFER SYSTEM

During the year 2021-22, upto January 04, 2022, KFin Technologies Private Limited was the Registrar and Share Transfer Agent (RTA) of the Company and thereafter, w.e.f. January 05, 2022, Alankit Assignments Limited is the RTA of the Company for the Physical and Demat shares and is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Board of Directors has authorised anyone of the Whole-Time Director and Company Secretary (or any two Whole-Time Directors in the absence of Company Secretary) to issue share certificate on receipt of the request for rematerialisation /split/ duplicate of shares and to sign/ affix facsimile signature and affix common seal on share certificate.

In line with SEBI's circular no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 wherein it has been mandated that

w.e.f. April 01, 2019, the request for effecting transfer of securities/ shares shall not be processed unless the securities are held in dematerialised form, except in case of transmission or transposition of securities/shares. Further, SEBI vide its circular no. SEBI/HO/MIRSD_RTAMB/CIR/2022/8 dated January 25, 2022 has mandated that the request for effecting of issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division/ splitting of share certificate, consolidation of securities, transmission and transposition shall be issued in dematerialised mode only and no physical share certificate shall be issued.

In this reference, notices have been hosted on the Website of the Company for informing the shareholders to hold the shares in dematerialised form only w.e.f. April 01, 2019 and the service requests as mentioned above, shares shall be issued in dematerialised mode only and no physical shares shall be issued w.e.f. January 25, 2022.

The share transmission activities under the physical segment are being carried out by RTA. Half-Yearly Compliance Certificate as required under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 duly signed by the Compliance Officer of the Company and Share Transfer Agent have been submitted to the Stock Exchange. During the year, one request for transmission of 150 equity shares was received and the shares were transmitted through Dematerialised mode.

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 FY 2021-22, no request/ applications relating to share transfers, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies were received.

CORPORATE GOVERNANCE REPORT

Distribution of Shareholding as on March 31, 2022

a. Distribution of shares according to the size of holding as on March 31, 2022:

No. of Equity Share(s) Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 500	268825	85.00	37443629	3.98
501 - 1000	24246	7.67	19783763	2.10
1001 - 2000	11982	3.79	18990524	2.02
2001 - 3000	3855	1.22	9889280	1.05
3001 - 4000	1898	0.60	7007369	0.75
4001 - 5000	1758	0.56	8235668	0.88
5001 - 10000	2165	0.68	16262796	1.73
10001 - 20000	880	0.28	13098659	1.39
20001 and above	657	0.21	809804052	86.10
TOTAL:	316266	100.00	940515740	100.00

b. Shareholding Pattern as on March 31, 2022

Category	No. of Shares Held	% of Total No. of Shares
Promoters Holding		
President of India	68,83,01,650	73.18
Sub-Total (1)	68,83,01,650	73.18
Non-Promoters Holding		
Mutual Funds	1,94,652	0.02
Financial Institutions/ Banks	24,38,900	0.26
Foreign Portfolio Investors	2,09,36,057	2.23
Bodies Corporates	5,16,81,073	5.49
Insurance Companies	68,45,070	0.73
Resident Individuals	15,69,01,246	16.68
Non-Resident Indians (including Non-Resident Non-Repatriates)	44,33,649	0.47
Others (Foreign Nationals, Directors & their Relatives, clearing members, HUF, NBFCs, trusts etc.)	87,83,443	0.93
Sub-Total (2)	25,22,14,090	26.82
Total (1+2)	94,05,15,740	100.00

c. Shareholders holding more than 1% of shares of the Company:

Category & Shareholder's Name	As on March 31, 2022	
	Voting Strength	No. of Shares Held
Promoter & Promoter Group		
The President of India	73.18	68,83,01,650
Non-Promoter (Body Corporate)		
Lok Prakashan Limited	1.86	1,74,69,162

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 issued by the Practising Company Secretary has been submitted to Stock Exchanges within the stipulated time.

No. of shares held in the dematerialised and physical mode as on March 31, 2022 are as follows:

Category	No. of Shares	Percentage
Physical	5,757	Negligible
DEMAT		
with NSDL	85,47,83,447	90.89
with CDSL	8,57,26,536	9.11
Total	94,05,15,740	100

6.13 OUTSTANDING GDRS/ADRS:

There are no GDRs/ADRs/warrants/convertible instrument outstanding as on March 31, 2022.

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 is headquartered at Saket, New Delhi and has 54 project offices including 4 regional

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offices to support and manage business operations throughout India. Also, setting up of Project Offices is under process at 5 more locations for functioning of newly secured projects in India.

Further, the Company is having five (5) major overseas project offices in Sri Lanka, Bangladesh, Malaysia, Algeria and Myanmar) from where business activities are undertaken.

A list of the operating units/offices is available on the Website of the Company.

6.16 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

7. DISCLOSURES

7.1 RELATED PARTY TRANSACTION

There has been no materially significant related party transaction, pecuniary transactions or relationships between the Company and the Directors, management, subsidiaries or relatives, except for those disclosed in the financial statements for the year ended March 31, 2022, 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, during the last three years.

There has been no instance of non-compliance of any statutory regulation or Government guidelines, nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by Government except as disclosed in the Secretarial Audit Report or in this report.

7.3 Code of Conduct

The Company has in place a Code of Conduct for Board Members and for Senior Management and also Key Values for the Company as a whole. Both the Code of Conduct and Key Values came into effect from April 01, 2005 and have been posted on the Website of the Company, i.e., www.ircon.org. The Code of Conduct provides for transparency ethical conduct, friendly workplace, legal compliance and protection of the Company's property and confidentiality of information.

Declaration signed by the Chairman & Managing

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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 FY2021-22 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

During the FY 2021-22, the Company is non-

compliant with respect to:

- a) the composition of Board of Directors as not having requisite number of the non-executive directors up to November 10, 2021;
- b) not having requisite number of Independent Directors during the whole year;
- c) not having requisite number of directors (not less than six directors) up to November 15, 2021;
- d) appointment of Woman Independent Director on the Board up to November 15, 2021;
- e) quorum of Board Meetings held up to November 12, 2021;
- f) composition of Audit Committee up to November 17, 2021, and requisite quorum in its meetings held up to November 12, 2021;
- g) composition of Nomination and Remuneration committee up to November 17, 2021, and requisite quorum in its meeting held on June 29, 2021; and
- h) composition of Stakeholder Relationship Committee and Risk Management Committee up to November 17, 2021.

Since, the appointment of Directors is made by the Administrative Ministry (i.e., Ministry of Railways), the Company has no role to play in it and the Company has requested the Ministry of Railways for requisite number of Independent Directors on the Board of the Company. Subsequent to the appointment of the Independent Directors on the Board of the Company by the Government of India, all the committees of the Board are in compliance with effect from 18.11.2021.

7.7 Weblink where policy for determining 'material' subsidiaries is disclosed:

<https://www.ircon.org/images/file/cosecy/Policy%20on%20Material%20Subsidiaries.pdf>

Presently, the Company has the following ten wholly-owned subsidiaries and one subsidiary:

Wholly-owned Subsidiaries:

- a. Ircon Infrastructure & Services Limited (IrconISL)
- b. Ircon PB Tollway Limited (IrconPBTL)
- c. Ircon Shivpuri Guna Tollway Limited (IrconSGTL)

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- d. IrconDavanagere Haveri Highway Limited (IrconDHHL)
- e. Ircon Vadodara Kim Expressway Limited (IrconVKEL)
- f. Ircon Gurgaon Rewari Highway Limited (IrconGRHL)
- g. Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL)
- h. Ircon Akloli-Shirsad Expressway Limited (IrconASEL)
- i. Ircon Bhoj-Morbe Expressway Limited (IrconBMEL)
- j. Ircon Haridwar Bypass Limited (IrconHBL)

Subsidiary-

- k. Ircon Renewable Power Limited (IrconRPL)

During the year, four wholly-owned subsidiaries viz. IrconLRHL, IrconASEL, IrconBMEL and IrconHBL were incorporated on December 23, 2021, December 24, 2021, January 06, 2022, and January 13, 2022, respectively. Also, one subsidiary of IRCON viz. IrconRPL with 76% shareholding of IRCON was incorporated on January 13, 2022.

Material Subsidiary: For the FY 2021-22, there was no material subsidiary of the Company.

7.8 During the year, no funds have been raised through preferential allotment or qualified institutions placement.

7.9 Statutory Auditors Fees:

This includes total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the statutory auditor. The details of payment made to Statutory Auditor during FY2021-22 on a consolidated basis are mentioned below:

(₹ in Crore)

Sr. No.	Particulars of Fees	Amount
1	Audit Fee	0.38
2	Migration Data Audit Fees	0.05
3	Tax Audit Fee	0.11
4	Fee for Quarterly Limited Review	0.22
5	Certification Fees	0.02
6	Travelling & Out of pocket Expenses:	
	a. Travelling Expenses	0.01
	b. Out of pocket expenses	0.01
	Total	0.80

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 FY2021-22:

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 Disclosure by listed entity and its subsidiaries of "Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount":

The Company and its subsidiaries have not provided any Loan and advances in the nature of loans to firms / companies in which directors are interested.

7.13 Rating on Corporate Governance by Department of Public Enterprises:

The Company has submitted report on Corporate Governance in specified format(s) to Ministry of Railways and Department of Public Enterprises (DPE) within the stipulated time as required under the DPE Guidelines on the Corporate Governance for CPSEs.

DPE has awarded 'Excellent' grading to IRCON for compliance of DPE Corporate Governance Guidelines during FY2020-21.

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 FY2021-22.

7.14 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 paid-up share capital of the Company by way of Initial Public Offering and the Company was listed with BSE Ltd. and National Stock Exchange of India Ltd. on September

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28, 2018.

To comply with the requirement of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Ministry of Finance notification dated 03.08.2018, Government of India further divested 16% of paid-up share capital of the Company (i.e., 7,52,41,260 equity shares) by way of Offer for Sale through stock exchange mechanism on March 03, 2021 and March 04, 2021.

7.15 Items of expenditure debited in books of accounts, which are not for the purposes of the business.

During the year, there are no items of expenditure debited in books of accounts other than for the business purposes of the Company.

7.16 Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management

During the year, no expenses have been incurred by the Company which are personal in nature for the directors and top management except for the remuneration paid to directors which are as per Government approved pay and perks (details given in para 3.7 of this report and also disclosed in Note No. 33 (b) forming part of the standalone financial statement).

7.17 Details of Administrative and Office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for the increase.

Other Expenses and Bank & Other Finance charges as a percentage of total expenses vis-a-vis financial expenses are given below:

Particulars	FY2021-22	FY2020-21
Other Expenses (Administrative) (₹ in Crore)	51.88	42.71
Bank & Other Finance Charges (₹ in Crore)	9.93	13.50
Total Expenses (₹ in Crore)	6570.94	4626.29
Administration expenses/ Total expenses (in %)	0.79	0.92
Bank & Financial Charges/ Total expenses (in %)	0.15	0.29

7.18 The Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and

clauses(b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations 2015 have been made except as disclosed in the Secretarial Audit Report or in this Report.

7.19 Disclosure with respect to Demat Suspense Account/ Unclaimed suspense account

During FY 2021-22, the Company does not have any shares in the Demat suspense account or unclaimed suspense account.

7.20 Unclaimed Dividend

No amount is due for transfer to Investors Education and Protection Fund (IEPF). Further, the details of unclaimed dividend as on March 31, 2022 are available on the website of the Company at the link: Investor Relations>> Notices and Other Announcements>> Dividend.

7.21 Acceptances of recommendation of the Committees

The recommendations of the Committees of the Board have been considered by the Board while deciding on the matters.

8. AUDIT QUALIFICATIONS

For Audit Qualifications, the Independent Auditor's Report submitted by M/s HDSG & Associates, Chartered Accountants on the financial statements for the year ending March 31, 2022 may be referred to. The Auditors' Report is unmodified.

9. DISCRETIONARY REQUIREMENTS:

9.1 The Board: The Company is headed by an Executive Chairman.

9.2 Shareholders' Rights: The financial results for the half-year ended September 30, 2021 were published in Financial Express (English), Indian Express (English) and Jansatta (Hindi) on November 13, 2021 and were also put on the Website of the Company. Separate half-year report has, however, not been sent to each household of Shareholders. Significant events have been intimated to Stock Exchanges and have also been disclosed on the Company website.

10. COMPLIANCE CERTIFICATE BY CEO/CFO CERTIFICATION

As per Regulation 17 (8) of the SEBI (LODR) Regulations, 2015 the compliance certificate duly signed by the Chairman and Managing Director & CEO and Chief Financial Officer was placed before the Board of Directors at its meeting held on May 27, 2022 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 FY2021-22.

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/-

(Yogesh Kumar Misra)

Chairman & Managing Director
and CEO

(DIN: 07654014)

Place: New Delhi

Date: August 08, 2022

Annexure - E1

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2021-22.

I, Yogesh Kumar Misra, 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 FY2021-22.

Sd/-

(Yogesh Kumar Misra)

Chairman & Managing Director
and CEO

(DIN: 07654014)

Place: New Delhi

Date: June 21, 2022

CORPORATE GOVERNANCE REPORT

Annexure –E2

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 during the Financial Year March 31, 2022 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 Yogesh Kumar Misra	07654014	28/12/2018	-
2	Shri Shyam Lal Gupta	07598920	01/11/2019	-
3	Shri Mohit Sinha	00843548	03/12/2021	-
4	Shri Dhananjaya Singh	08955500	10/11/2020	-
5	Shri Rajesh Argal	09171980	13/05/2021	-
6	Shri Ajay Kumar Chauhan	09394953	11/11/2021	-
7	Shri Dipendra Kumar Gupta	09398271	16/11/2021	-
8	Smt. Ranjana Upadhyay	07787711	16/11/2021	-
9	Dr Kartik Chandulal Bhadra	09453387	31/12/2021	-
10	Shri Sunil Kumar Chaudhary	00515672	29/10/2016	30/04/2021
11	Shri Mukesh Kumar Singh	06607392	01/05/2016	30/09/2021

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

PR: 610/2019

UDIN:F001807D000492561

Place: Noida

Date : June 14, 2022

CORPORATE GOVERNANCE REPORT

Annexure – E3

Dated : May 27, 2022

CEO & CFO CERTIFICATION TO WHOMSOEVER IT MAY CONCERN

We have reviewed the Financial Statements and the Cash Flow Statement for the year 2021-22 and that to the best of our knowledge and belief:

- (A) (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (B) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the code of conduct;
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies;
- (D) We have indicated to Auditors and the Audit Committee:
 - (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or the employee having a significant role in the listed entity's internal control system over financial reporting

Sd/-

(Yogesh Kumar Misra)

Chairman & Managing Director and CEO

[DIN: 07654014]

Sd/-

(Mugunthan Boju Gowda)

Chief Financial Officer

[PAN: AFKPG8933P]

CORPORATE GOVERNANCE REPORT

Annexure-E4

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE FY 2021-22

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 March 31, 2022 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as stipulated in the guidelines of Department of Public Enterprises (DPE) on Corporate Governance for Central Public Sector Undertakings issued in May 2010.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations and DPE guidelines on Corporate Governance.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations and DPE guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations and DPE guidelines on Corporate Governance during the year ended March 31, 2022 subject to the following:

The Company did not have:

1. *Requisite number of non-executive director (not less than 50% of the Board of Directors) as required under Regulation 17(1)(a) up to November 10, 2021, and Woman/Woman Independent Director up to November 15, 2021, as required under Section 149(1) of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015.*
2. *Requisite number of Independent Directors (at least half of the board of directors) on its Board up to March 31, 2022, as required under Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance regarding Composition of the Board of Directors.*
3. *Requisite number of directors (not less than six directors) on its Board as required under Regulation 17(1)(c) up to November 15, 2021 and required quorum (including at least one independent director) for the Board Meetings held up to November 12, 2021, as required under Regulation 17(2A) of SEBI(LODR) Regulations, 2015.*
4. *Appropriate composition of Audit Committee as required under Regulation 18(1) up to November 17, 2021, and requisite quorum in its meetings held up to November 12, 2021, as per Regulation 18(2)(b) of SEBI(LODR) Regulations, 2015.*
5. *Appropriate composition of Nomination and Remuneration committee as required under Regulation 19(1)/ (2), up to November 17, 2021, and requisite quorum in its meeting held on June 29, 2021, as required under Regulation 19(2A) of SEBI(LODR) Regulations, 2015.*
6. *Appropriate composition of Stakeholder Relationship Committee as required under Regulation 20(2A), and Risk Management Committee as required under Regulation 21(2) of SEBI (LODR) Regulations, 2015, up to November 17, 2021.*
7. *Appropriate composition of Corporate Social Responsibility Committee as required under Section 135(1) of the Companies Act, 2013, up to November 17, 2021.*

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.

For **Kumar Naresh Sinha & Associates**
Company Secretaries

Sd/-
CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807, C P No.: 14984
PR: 610/2019
UDIN: F001807D000492651

Place: Noida
Date: June 14, 2022

BUSINESS RESPONSIBILITY REPORT (BRR)



INTRODUCTION

The Business Responsibility Report for FY 2021-22 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 stakeholder.

Our Business Responsibility Report (BRR) 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 [LODR Regulations], covering topics across governance, environment, and stakeholder relationships, in terms of SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015. Further, the amendment to regulation 34(2)(f) of LODR Regulations issued vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 has introduced a new reporting requirement on ESG parameters called by Business Responsibility and Sustainability Report (BRSR), which are mandatory for the top 1000 listed companies for the FY 2022-23 and for FY 2021-22, it is voluntary. This BRR of IRCON for FY 2021-22 provides reporting in the format prescribed under SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015.

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 NVG Principles comprise of the following nine inter-related and inter-connected 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 marginalized.

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 (BRR)

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	2021-22
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)	<p>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:</p> <p>(a) Railways, Highways, Tunnelling & Bridges (b) Electrical & Mechanical (c) Signalling & Telecom (S&T) (d) Workshop and other buildings</p>
9	<p>Total number of locations where business activity is undertaken by the Company:</p> <p>(a) Number of International Locations (Provide details of major 5)</p> <p>(b) Number of National Locations</p>	<p>Number of International Locations:</p> <p>IRCON is having five major overseas offices (i.e. Sri Lanka, Bangladesh, Malaysia, Algeria and Myanmar) from where business activities are undertaken.</p> <p>Number of National Locations:</p> <p>IRCON is headquartered at Saket, New Delhi, India and has fifty-four project offices including four regional offices to support and manage business operations throughout India. Also, setting up of Project Offices is under process at 5 more locations for functioning of newly secured projects in India.</p>
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 (2021-22)

1	Paid up Capital	₹ 188.10 crore
2	Total Turnover	₹ 7181 crore
3	Total Profit after taxes	₹ 544 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% (₹ 10.52 crore total spending on CSR)
5	List of activities in which expenditure in 4 above has been incurred	Refer “Annual Report on CSR and Sustainability” annexed to the Annual Report for FY 2021-22

SECTION C: OTHER DETAILS

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

Yes. As on March 31, 2022, IRCON has eleven 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)
- (vi) Ircon Gurgaon Rewari Highway Limited (IrconGRHL)
- (vii) Ircon Akloli-Shirsad Expressway Limited (IrconASEL)
- (viii) Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL)
- (ix) Ircon Bhoj Morbe Expressway Limited (IrconBMEL)
- (x) Ircon Haridwar Bypass Limited (IrconHBL)
- (xi) Ircon Renewable Power Limited (IRPL)

BUSINESS RESPONSIBILITY REPORT (BRR)

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 eleven subsidiary companies, nine companies viz. IrconPBTL, IrconSGTL, IrconDHHL IrconVKEL, IrconGRHL, IrconASEL, IrconLRHL, IrconBMEL and IrconHBL 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. IrconSL 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. Further, another subsidiary company viz. IRPL [having equity participation of 76% by IRCON and 24% by Ayana Renewable Power Private Limited (Ayana)] has been incorporated on January 13, 2022 and is yet to commence its operations.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) 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 the Company's BR initiatives.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR Head

NO.	PARTICULARS	DETAILS
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Dr. Subhash Chand
3.	Designation	Executive Director (Electricals)
4.	Telephone Number	011-26530245
5.	E-mail ID	subhash.chand@ircon.org

2. Governance related to BR

(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 FY 2021-22, 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 a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

IRCON got listed w.e.f. September 28, 2018 and in compliance with the LODR Regulations, the Company publishes the BRR report annually as a part of the Annual Report. The BRR for the year 2021-22 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 generally published annually and are available at http://www.ircon.org/index.php?option=com_content&view=article&id=52&Itemid=424&lang=en

BUSINESS RESPONSIBILITY REPORT (BRR)

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: http://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,

BUSINESS RESPONSIBILITY REPORT (BRR)

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 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 the Registrar & Transfer Agents (RTA) of the Company i.e., KFin Technologies Private Limited, (From beginning of FY 2020-21 till 04.01.2022) and Alankit Assignments Limited (w.e.f. 05.01.2022 till 31.03.2022), 508 grievances were received from the shareholders during the year 2021-22, no grievances were pending as on March 31, 2022.

Besides, out of a total of 41 public grievance / complaints (including 8 complaints from the previous FY), 31 complaints were resolved during the year 2021-22 and 10 were pending as on March 31, 2022, from the general public under Centralized Public Grievance Redressal and Monitoring Scheme (CPGRAMS).

During the year 2021-22, the vigilance department has received a total of 01 complaint. Total 07 complaints were disposed including pending complaints of previous FY. There is no pending complaint at the end of FY 2021-22.

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

During the year 2021-22, 07 cases were filed by the MSEs at MSME SAMADHAN- Delayed Payment

Monitoring System, out of these 04 cases are pending as on March 31, 2022.

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

- a. Automatic Power Factor (APF) correction panels of 10.7 kVAR capacity have been designed and are being installed at the Receiving Substations (RSS) for Delhi-Ghaziabad-Meerut RRTS corridor of NCRTC project for RSS Energy Conservation. Moreover, the RSS Control Room Building is also constructed with highest rating Indian Green Building Council (IGBC) standards to conserve energy.
- b. IRCON has installed LED Lights for energy conservation which reduces energy consumption by upto 50% in various projects like Loco Shed at Bondamunda, Staff Quarters at Mathura-Kasganj-Kalyanpur RE Project, etc. and are also planned to be installed at USBRL E&M Tunnel Project.
- c. Capacitor Banks of 2400 kVAR capacity have also been installed at Baramulla TSS (J&K) for USBRL RE project to improve the power factor. More than 3000 units of electricity on a daily basis will be conserved on installing capacitor banks once electric traction is introduced in valley. Capacitor Banks are also planned to be installed at Qazigund and Budgam TSS for energy conservation.

BUSINESS RESPONSIBILITY REPORT (BRR)

- d. IRCON is setting up a State of the art 500 MW Grid connected solar Photovoltaic power project (Tranche-III) under Central Public Sector Undertaking (CPSE) Scheme Phase-II (Government Producer Scheme). The 500 MW Solar Power Plant is being set up in the state of Karnataka.
- e. IRCON has also installed Solar Power Photovoltaic Panels for its office Complex in Sangaldan (J&K) with a capacity of 110 kWp.
- f. The New Track Construction (NTC) machine purchased for Dedicated Freight Corridor Project, CTP-12 (DFC project), is commissioned successfully to improve productivity, safety, efficiency and quality in track laying at DFC Project. At present, only two companies have this machine.

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 2021-22, 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 2021-22, the Company has procured items valuing ₹181.24 crore from MSEs vendor against the expenditure valuing ₹600.09 crore towards materials and stores. Therefore, your Company has achieved 66.92% of net procurement from MSEs.

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

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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 2021-22, on September 15, 2021 the Company has conducted a Special Vendor development Programme at Patna project and Eastern Region Office, Kolkata 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.

IRCON does infrastructure projects 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 projects funded by the GOI.

For 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 documents, 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. January 25, 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. Waste-water recycling is also being promoted through the construction of Sewage Treatment Plants (STP) at Corporate Office (Delhi), offices at NOIDA & Gurugram, and MFC buildings. LED lights, sensor lights and sensor taps are being used in the Corporate Office, the state-of-the-art building constructed and other offices being constructed by IRCON to conserve electricity and water.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES (DETAILS AS ON 31.03.2022)

1. Please indicate the total number of employees.

Total number of employees as on March 31, 2022 is 1278

2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis.

During the year 2021-22, IRCON hired 135 employees on contractual basis (including service contract). The Company does not hire employees on temporary or casual basis. However, the Company awards jobs and

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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.

3. Please indicate the number of permanent women employees.

Number of permanent women employees as on March 31, 2022 is 53

4. Please indicate the number of permanent employees with disabilities.

Number of permanent employees with disabilities as on March 31, 2022 is 07

5. Do you have an employee association that is recognised by the management?

The management recognises no employee association.

6. What percentage of your permanent employees are members of this recognised employee association?

Not Applicable.

7. 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.

Due to social distancing and safety measures being taken amid COVID-19 pandemic, mostly virtual trainings were organized during the year 2021-22. Details of the trainings on safety and skill upgradation given during the last year is as follows:

Permanent Employees: 26.20%

Permanent Women Employees: 67.00%

Casual/Temporary/Contractual Employees: 0.68%

Employees with Disabilities: 14.20%

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.

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It covers supporting the capacity building, 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 and under-privileged neglected and weaker 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, with the following Vision and Mission:

Vision: To make Corporate Social Responsibility an important element of the working of the Company thereby addressing environmental, social and economic concerns of the society.

Mission: IRCON envisions supporting the 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 marginalized and under-privileged, neglected and weaker sections of the society which comprise of SCs, STs, OBCs, minorities, BPL families, old and infirm, women / girl child, physically challenged etc.

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. The policy also extends to the wholly-owned subsidiary companies of IRCON formed as Special Purpose Vehicles.

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 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 2021-22.

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 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).

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

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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 its corporate & 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 have been constructed at offices at NOIDA, Gurugram, 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, tree plantation are also undertaken at the corporate, project and other office 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 a document "Environment Impact Assessment due to construction activities" accessible to the employees 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?

No

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, Project & other 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 emissions & waste generated by the Company is within permissible limits. Annual Environment Compliance reports are submitted by the respective work units to respective State Pollution Control Boards (SPCB). All the buildings/offices comply

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with environmental regulations. Procedures are in place for storage, handling and disposal of hazardous chemicals and wastes. 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)
- Confederation of Indian Industry (CII)
- Indian Road Congress (IRC)
- Project Export Promotion Council of India (PEPC)
- 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)
- India Habitat Centre (IHC)
- National Highways Builders Federation (NHBF)
- Construction Industry Development Council (CIDC)
- Indian International Centre (IIC)

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. The Company's social vision is to conduct its CSR initiatives in sync with its policy of doing business in a socially responsible and sustainable manner.

IRCON is committed to undertake CSR activities complying with the provisions of Section 135 of the Companies Act, 2013 and related Rules. In line with the substantial amendments in Section 135 of the Companies Act, 2013 (the 'Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014 w.e.f. 22 January 2021, the Company has also revised and the CSR policy in June 2021.

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. CSR expenditure is incurred on the basis of Annual Theme mandated by DPE and like for the financial year 2021-22, the CSR Theme was 'Health & Nutrition'. As per DPE Guidelines and CSR

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Policy of the Company, 70% of CSR budget was to be spent on the CSR Theme; 75% of the budget is to be spend on the local areas of IRCON and 25% on non-local areas.

During the year 2021-22 IRCON took many initiatives for developing the social goal through the installation of oxygen plant to deal with COVID-19 pandemic, Ensuring environment sustainability through providing rain water harvesting system and composting system at Delhi. The maximum amount of the CSR Budget has been spent on health sector including contribution to the PM CARES Fund. During FY2021-22, the Company has spent ₹ 10.52 Crore on CSR activities. The list of CSR projects undertaken during the year is enclosed in the Annual Report on CSR and Sustainability as annexed to Directors Report.

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. It is ensured that the agency complies with the CSR Policy of the IRCON and possesses CSR Form-1.

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

As per the revised CSR Policy, single CSR Project with outlay of ₹ 1 crore or more, shall be evaluated by an independent external agency in terms of achievement of goals. Since none of the projects executed by IRCON were of ₹ 1 Crore or more, Impact Assessment was not conducted.

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, Annual Report on CSR & Sustainability is also annexed to the Directors 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, almost 100% is contributed from Railways and Highways. Most of

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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 the Company is 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 order.

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/-

(Yogesh Kumar Misra)

Chairman & Managing Director and CEO

(DIN: 07654014)

Date: August 08, 2022

Place: New Delhi

ANNUAL REPORT ON CSR & SUSTAINABILITY

1. Brief outline on CSR & Sustainability Policy of the Company.

The Corporate Social Responsibility (CSR) Policy (CSR Policy) of Ircon International Limited has been developed in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated January 22, 2021 notified by the Ministry of Corporate Affairs, Government of India. It can be viewed on the Ircon International Limited website: https://www.ircon.org/images/file/cosecy/CSR_Policy_updated_on_300621.pdf

The thrust of CSR is on 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 marginalized and under-privileged, neglected and weaker sections of the society which comprise of SCs, STs, OBCs, minorities, BPL families, old and infirm, women/girl child, physically challenged etc.

DPE vide its Office Memorandum dated 10th December, 2018 has issued the guidelines for CSR expenditure of CPSEs which inter-alia state that:

- i A common theme may be identified for each year for undertaking CSR activities.
- ii CSR expenditure for thematic programme is to be 60% of annual CSR expenditure.
- iii Aspirational Districts are to be given preference.

For FY2021-22, DPE had declared 'Health, Nutrition and Covid related activities' as the Annual Theme for undertaking CSR activities. In line with the DPE guidelines and Company's CSR Policy, the company has spent 87% on annual theme announced by DPE.

All CSR Projects / Programs undertaken for the FY 2021-22 were conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact and carried out in partnership with credible implementing agencies. In the FY2021-22, the Company has supported Projects / Programs which fall under the Sectors of Healthcare, Water Conservation and Covid related activities.

The below mentioned CSR initiatives have brought change in the life of underprivileged people and developed the methods for environment protection:

- The installation, of IRCON supported Oxygen Generation Plant (OGP) to Railway hospital in Samastipur district of Bihar has not only enabled them to meet the increased emergency need for COVID-19 care, but for longer term it will enable the hospitals to allocate their resources in upgrading hospital facilities, thereby strengthening the health care system.
- Company has implemented rainwater harvesting systems for storage of rainwater at New Delhi during FY 2021-22, Company assisted in erecting 1 Rainwater Harvesting (RWH) structures with a recharge potential of 5 Lakh Litre of water per annum.

IRCON continues to bring social change for the beneficiaries and society in large through its CSR activities in the future as well. All projects are implemented in true spirit of CSR and are in accordance with Schedule VII of Companies Act / DPE Guidelines and CSR policy of IRCON.

2. Composition of CSR Committee:

The Committee has been reconstituted as and when there has been a change in directors, during the year. The composition of CSR Committee during the year was as follows:

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From 01.04.2021 till 17.11.2021	From 18.11.2021 till 31.03.2022
Chairperson	
Shri Mukesh Kumar Singh Director (Finance)*	Smt. Ranjana Upadhyay Independent Director
Members	
Shri Yogesh Kumar Misra Director (works)	Shri Rajesh Argal Govt. Nominee Director
Shri Shyam Lal Gupta Director (Projects)	Shri Shyam Lal Gupta Director (Projects)

*Director upto 30.09.2021.

During FY 2021-22, the Committee met three-time on 5th April 2021, 11th August 2021, and 11th February 2022. The attendance details of the said meeting are:

Name of Director	Meeting date			Total meetings held during the tenure	No. of meetings attended
	05.04.2021	11.08.2021	11.02.2022		
Shri Mukesh Kumar Singh, CMD & Director (Finance)	✓	✓		2	2
Smt. Ranjana Upadhyay Independent Director			✓	1	1
Shri Rajesh Argal Govt. Nominee Director			✓	1	1
Shri Shyam Lal Gupta Director (Projects)	✓	✓	✓	3	3
Shri Yogesh Kumar Misra Director (works)	✓	✓		2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Web Link as Follows:-

- CSR committee: https://www.ircon.org/index.php?option=com_content&view=article&id=209&Itemid=04&lang=en
- CSR Policy: https://www.ircon.org/images/file/cosecy/CSR_Policy_updated_on_300621.pdf
- CSR projects: <https://www.ircon.org/images/file/cosecy/Q-4.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable for this financial year. Further, none of the CSR activities taken up during FY 2021-22 were ₹1 crore or above for which impact assessment is required. However a contribution of 1.14 core was made to PM CARES Fund.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

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Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil
	TOTAL	Nil	Nil

6. Average net profit of the company as per section 135(5): ₹ **525.01 Crore**.
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **10.50 Crore**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
 (c) Amount required to be set off for the financial year, if any: **Nil**
 (d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ **10.50 Crore**
8. (a) CSR amount spent or unspent for the financial year:

Amount (₹ in Crore)

Total Amount Spent for the Financial Year 2021-22.	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.52	NIL	NIL	NIL	NIL	NIL

Amount (₹ in Crore)

(b) Details of CSR amount spent against ongoing projects for the financial year: Details attached as Annexure – 1	1.29
(c) Details of CSR amount spent against other than ongoing projects for the financial year: Details attached as Annexure – 2	8.94
(d) Amount spent in Administrative Overheads :	0.29
(e) Amount spent on Impact Assessment, if applicable.:	Nil
(f) Total amount spent for the Financial Year (8b+8c+8d+8e):	10.52

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	10.50
(ii)	Total amount spent for the Financial Year	10.52
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

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9. (a) Details of Unspent CSR amount for the preceding three financial years:

Amount (₹ in Crore)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount	Date of transfer.	
1.	2018-19						
2.	2019-20						
3.	2020-21						
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

₹ 1.29 Crore Details attached as Annexure 3

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**):

(a) Date of creation or acquisition of the capital asset(s):	CSR Assets are created through CSR activities. However no CSR Asset are in the name of Company. For date of creation or acquisition refer Annexure - 4 .
(b) Amount of CSR spent for creation or acquisition of capital asset.	₹ 70.86 lakhs has been spent for creation or acquisition of capital asset. Details are annexed as Annexure 4 .
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Attached as Annexure - 4
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Attached as Annexure - 4

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).:
Not Applicable

Sd/-
Shri Yogesh Kumar Misra
Chairman & Managing
Director and CEO
(DIN 07654014)

Sd/-
Shyam Lal Gupta
Director (Projects) & Member, CSR &
Sustainability Committee
(DIN 07598920)

Sd/-
Smt. Ranjana Upadhyay
Chairperson, CSR & Sustainability
Committee
(DIN 07787711)

Place : New Delhi
Date : August 08, 2022

ANNUAL REPORT ON CSR & SUSTAINABILITY

ANNEXURE - I

8 (b) Details of CSR amount spent against ongoing projects for the FY.

1	2	3	4	5		6	7	8	9	10	11	
				Location of the project							Mode of Implementation Direct (Yes/No)	Name
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Project Duration	Amount allocated for the project (₹ In Lakhs)	Amount spent in the current financial year (₹ In Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ In Lakhs)	Mode of Implementation Direct (Yes/No)		
1	Promoting Sports through contribution for Infrastructure Development of Nuraal Amin Stadium, Nowgong Sports Association in Nowgong, Assam	Sports S. No. (v) of Sch VII]	No	Assam	Nowgong	3 Years	77.00	38.50	-	No	Through M/s Nowgong Sports Association	CSR00 009288
2	Promoting Rural Development by Construction of one community centre Begusarai, Bihar	Rural Development	Yes	Bihar	Begusarai	3 Years	20.86	20.86	-	Yes	Direct	Not Applicable
3	Establishing 2 Mini Science Centre for underprivileged students at 2 Government Schools in Bilaspur district of Chhattisgarh by M/s Sambhavana	Education [S. No. (ii) of Sch VII]	Yes	Chhattisgarh	Bilaspur	2 year	9.43	2.36	-	No	Through M/s Sambhavana	CSR00 000687
4	Promoting education by sponsorship to 150 tribal students living in a residential set up at Bhubaneswar by M/s Kalinga Institute of Social Science	Education [S. No. (ii) of Sch VII]	Yes	Odisha	Bhubaneswar	2 Years	45.00	22.50	-	No	Through M/s M/s Kalinga Institute of Social Science	CSR00 000319
5	Promoting education through "Knowledge on Wheels" program at Maharashtra by M/s Keshav Shrushti	Education [S. No. (ii) of Sch VII]	Yes	Maharashtra	Palghar	3 year	32.84	3.28	-	No	Through M/s Keshav Shrushti	CSR00 002691
6	Continue Supporting by promoting pre-primary Education of around 140 slum children in Nangloi, Delhi and other such locations by M/s GODHULI	Education [S. No. (ii) of Sch VII]	Yes	NCR	Old Delhi	2 year	11.00	4.40	-	No	Through M/s GODHULI	CSR00 003127

ANNUAL REPORT ON CSR & SUSTAINABILITY

1	2	3	4	5		6	7	8	9	10	11	
				Location of the project							Mode of Implementation (Yes/No)	Name
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Project Duration	Amount allocated for the project (₹ In Lakhs)	Amount spent in the current financial year (₹ In Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ In Lakhs)	Mode of Implementation (Yes/No)		
7	Empowering women through Menstrual Hygiene Training Program in Ghazipur, UP by M/s Vatsalya Foundation and M/s Sewa Samarpan Sansthan	Health [S. No. (i) of Sch VII]	Yes	Uttar Pradesh	Ghazipur	3 year	17.14	0.10	-	No	Through M/s Vatsalya Foundation	CSR00 007982
8	Supporting Divyangjan for artificial limbs in collaboration with Artificial Limb manufacturing for FY 19-20 by M/s ALIMCO at Katni district of Madhya Pradesh and Mujafarnagar district of UP.	Health [S. No. (i) of Sch VII]	Yes	Madhya Pradesh & U.P.	Katni & Mujafarnagar	3 year	40.00	19.95	-	No	Through M/s ALIMCO	CSR00 000532
9	Free Eye Screening Camps at 30 schools of Aspirational district of Jaisalmer, Rajasthan by M/s PCB Trust	Health [S. No. (i) of Sch VII]	No	Rajasthan	Jaisalmer	3 year	27.87	13.81	-	No	Through M/s PCB Trust	CSR00 027530
10	Running of the Medical Health Unit at Banihal (J & K).	Health [S. No. (i) of Sch VII]	Yes	J&K	Banihal	2 year	8.50	3.30	-	Yes	Direct	Not Applicable
11	Providing of 44 Deep Freezer and 1 Walk in Freezer at Delhi	Health [S. No. (i) of Sch VII]	Yes	New Delhi	New Delhi	2 year	39.56	0.00	-	Yes	Direct	Not Applicable
Total							329.20	129.06	-			

ANNUAL REPORT ON CSR & SUSTAINABILITY

ANNEXURE - 2

8 (c) Details of CSR amount spent against other than ongoing projects for the FY.

1	2	3	4	5		6	7	8	
				Location of the project				Mode of Implementation - Through Implementing Agency	Name
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Amount spent in the current financial Year (₹ In Lakhs)	Mode of Implementation - Direct (Yes/No)		
1	Conservation of Environment Through Rainwater Harvesting and Recycling of Organic Waste at New Delhi	Conservation of Water [S. No. (iv) of Sch VII]	Yes	New Delhi	New Delhi	18.70	No	Through M/s AIFD	CSR00006061
2	PM CARES FUND in the FY 2021-22 (Carried forwarded from the FY 2020-21)	Fund Contribution	NA	Not Applicable	Not Applicable	711.76	Yes	Direct	Not Applicable
3	Installation of Oxygen Generating Plant at Divisional Railway Hospital, Samastipur district of Bihar	Health [S. No. (i) of Sch VII]	Yes	Bihar	Samastipur	50.00	Yes	Direct	Not Applicable
4	Contribution in PM Cares fund for the FY 2021-22	Fund Contribution	NA	Not Applicable	Not Applicable	113.87	Yes	Direct	Not Applicable
Total						894.33			

ANNUAL REPORT ON CSR & SUSTAINABILITY

ANNEXURE - 3

9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Amount allocated for the project (₹ In Lakhs)	Amount spent in the current financial Year (₹ In Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ In Lakhs)	Status of the project - Completed / Ongoing
1	NA	Promoting Sports through contribution for Infrastructure Development of Nurual Amin Stadium, Nowgong Sports Association in Nowgong, Assam	2018-19	3 Years	77.00	38.50	77.00	Completed
2	NA	Promoting Rural Development by Construction of one community centre Begusrai, Bihar	2019-20	3 Years	20.86	20.86	20.86	Completed
3	NA	Establishing 2 Mini Science Centre for underprivileged students at 2 Government Schools in Bilaspur district of Chhattisgarh by M/s Sambhavana	2019-20	2 year	9.43	2.36	9.43	Completed
4	NA	Promoting education by sponsorship to 150 tribal students living in a residential set up at Bhubaneswar by M/s Kalinga Institute of Social Science	2019-20	2 Years	45.00	22.50	45.00	Completed
5	NA	Promoting education through "Knowledge on Wheels" program at Maharashtra by M/s Keshav Shrusthi	2019-20	3 year	32.84	3.28	29.55	Ongoing
6	NA	Continue Supporting by promoting pre-primary Education of around 140 slum children in Nangloi, Delhi and other such locations by M/s GODHULI	2020-21	2 year	11.00	4.40	9.90	Ongoing
7	NA	Empowering women through Menstrual Hygiene Training Program in Ghazipur, UP by M/s Vatsalya Foundation and M/s Sewa Samarpan Sansthan	2018-19	3 year	17.14	0.10	16.68	Completed
8	NA	Supporting Divyangjan for artificial limbs in collaboration with Artificial Limb manufacturing for FY 19-20 by M/s ALIMCO at Katni district of Madhya Pradesh and Mujaffarnagar district of UP.	2019-20	3 year	40.00	19.95	39.95	Completed
9	NA	Free Eye Screening Camps at 30 schools of Aspirational district of Jaisalmer, Rajasthan by M/s PCB Trust	2019-20	3 year	27.87	13.81	27.75	Completed
10	NA	Running of the Medical Health Unit at Banihal (J & K).	2020-21	2 year	8.50	3.30	6.33	Ongoing
11	NA	Providing of 44 Deep Freezer and 1 Walk in Freezer at Delhi	2020-21	2 year	39.56	0.00	19.32	Ongoing
Total					329.20	129.06	301.77	

ANNEXURE - 4

Details of CSR Assets						
Sl. No.	Name of the Project	Details of Asset	Amount spent in the current financial Year (₹ In Lakhs)	Assets created for Beneficiaries / Agency	Address	Date of creation or acquisition of the assets
1	Promoting Rural Development by Construction of one community centre Begusrai, Bihar	Constructed Community Hall	20.86	Local Community of Tekanpura Panchayat	Tekanpura Village of Begusrai district, Bihar	28.01.22
2	Installation of Oxygen Generating Plant at Divisional Railway Hospital, Samastipur district of Bihar	Oxygen Generating Plant at Divisional Railway Hospital,	50.00	Patients of Railway Hospital	Divisional Railway Hospital, Samastipur district of Bihar	19.01.22
Total			70.86			

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[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, **March 31, 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the '**Act**') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not applicable to the Company during the audit period**)
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during the audit period**);
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the audit period**); and

- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**
- (vi) The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:
 - a) Building and other construction workers (Regulation of Employment and conditions of service) Central Rules, 1998
 - b) Electricity Act, 2003

For the compliances of Labour Laws & other General Laws, our examination and reporting are based on the documents and records as produced 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, 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. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the 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 non-executive director (not less than 50% of the Board of Directors) as required under Regulation 17(1)(a) up to November 10, 2021, and Woman/Woman Independent Director up to November 15, 2021, as required under Section 149(1) of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015.**
2. **Requisite number of Independent Directors (at least half of the board of directors) on its Board up to March 31, 2022, as required under Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance regarding Composition of the Board of Directors.**
3. **Requisite number of directors (not less than six directors) on its Board as required under Regulation 17(1)(c) up to November 15, 2021 and required quorum (including at least one independent director) for the Board Meetings held up to November 12, 2021, as required under Regulation 17(2A) of SEBI (LODR) Regulations, 2015.**
4. **Appropriate composition of Audit Committee as required under Regulation 18(1) up to November 17, 2021, and requisite quorum in its meetings held up to November 12, 2021, as per Regulation 18(2)(b) of SEBI (LODR) Regulations, 2015.**
5. **Appropriate composition of Nomination and Remuneration committee as required under Regulation 19(1)/(2), up to November 17, 2021, and requisite quorum in its meeting held on June 29, 2021, as required under Regulation 19(2A) of SEBI (LODR) Regulations, 2015.**
6. **Appropriate composition of Stakeholder Relationship Committee as required under Regulation 20(2A), and Risk Management**

Committee as required under Regulation 21(2) of SEBI (LODR) Regulations, 2015, up to November 17, 2021.

7. Appropriate composition of Corporate Social Responsibility Committee as required under Section 135(1) of the Companies Act, 2013, up to November 17, 2021.

We further report that:

1. During the period under review, the Company was not having an optimum combination of Executive /Functional Directors, Non-Executive Directors, Independent Director including Woman/Women Independent director as reported herein-above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. BSE and NSE had levied monetary fine(s) for non-compliance of various Regulations of SEBI (LODR) Regulations, 2015, for the quarters as reported herein-above, during the year under review.
3. IRCON has submitted to the stock exchanges that the non-compliance of various regulations of SEBI (LODR) Regulations, 2015 were due to non-appointment of directors/women director/Independent directors by the Government of India and therefore, they should not be held liable to pay the fine. The listed entity has made request from time to time to its administrative ministry (i.e., Ministry of Railways) for appointment of requisite number of Directors/Independent Directors (including woman Director) on the Board of IRCON in order to ensure compliance.

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 for meetings, other than those held at shorter notice, to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions are taken with requisite majority and the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the financial year 2021-22;

- i. The Company has issued fully paid bonus share of face value ₹2/- each in the ratio of 1:1.
- ii. The Company has declared and paid the following dividends:
 - a) 1st interim dividend of ₹0.45 per equity share on the face value of ₹2/- each (22.50% on the paid up equity share capital) on 12 August, 2021.
 - b) 2nd interim dividend of ₹0.70 per equity share on the face value of ₹2/- each (35% on the paid up equity share capital) on 12 November, 2021.
 - c) 3rd interim dividend of ₹0.70 per equity share on the face value of ₹2/- each (35% on the paid up equity share capital) on 14 February, 2022.
- iii. The Board on, 27 May 2022, has recommended a final dividend of ₹0.65 per share of face value of ₹2/- each (32.50% of the paid-up equity share capital) for the financial year 2021-22.

For **Kumar Naresh Sinha & Associates**
Company Secretaries

Sd/-

CS Naresh Kumar Sinha

(Proprietor)

FCS: 1807; C P No.: 14984

PR: 610/2019

UDIN: F001807D000492473

Place: Noida

Date: June 14, 2022

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 March 31, 2022 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. Wherever 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.

For **Kumar Naresh Sinha & Associates**
Company Secretaries

Sd/-

CS Naresh Kumar Sinha
(Proprietor)

FCS: 1807; C P No.: 14984

PR: 610/2019

UDIN: F001807D000492473

Place: Noida

Date: June 14, 2022

REPLIES TO THE OBSERVATIONS CONTAINED IN THE SECRETARIAL AUDIT REPORT AND COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR 2021-22

Observations contained in the Reports for FY 2021-22	Management Reply
<p>The Company did not have:</p> <p>1. Requisite number of non-executive director (not less than 50% of the Board of Directors) as required under Regulation 17(1)(a) up to November 10, 2021 and Woman/Woman Independent Director up to November 15, 2021, as required under Section 149(1) of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015.</p> <hr/> <p>2. Requisite number of Independent Directors (at least half of the board of directors) on its Board up to March 31, 2022, as required under Regulation 17 (1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance regarding Composition of the Board of Directors.</p> <hr/> <p>3. Requisite number of directors (not less than six directors) on its Board as required under Regulation 17(1)(c) up to November 15, 2021, and required quorum (including at least one independent director) for the Board Meetings held up to November 12, 2021, as required under Regulation 17(2A) of SEBI (LODR) Regulations, 2015.</p>	<p>Ircon International Limited (IRCON) is a government company as per provisions of the Section 2(45) of the Companies Act 2013. As per provisions of the Companies Act 2013 and Articles of Association of IRCON, the President of India is vested with the power to appoint Directors (including Independent Directors) on the Board of the Company. All Directors in IRCON are appointed by the Government of India through its Administrative Ministry, Ministry of Railways and IRCON has no role to play in appointment of any Director (including Independent Director / Woman Director) unless nominated by the Government.</p> <p>The Company has on various occasions requested the Ministry of Railways for appointment of requisite number of Independent Directors (including Woman Director) and Government Nominee (Non-Executive) Directors on the Board of IRCON to ensure compliance.</p> <p>One Government Nominee Director was nominated on the Board of the Company by the Ministry of Railways vide its order dated May 11, 2021 and appointed on the Board of the Company w.e.f. May 13, 2021, thereby making the total number of Government Nominee Directors on the Board of the Company to 'two'.</p> <p>Further, as nominated by the Ministry of Railways, vide their order dated November 09, 2021, one Independent Director has been appointed on the Board of the Company w.e.f. November 11, 2021 and two Independent Directors including one Woman Director w.e.f. November 16, 2021. Subsequently, pursuant to Ministry of Railways order dated November 29, 2021, one more Independent Director has been appointed w.e.f. December 31, 2021.</p> <p>After the appointment of the directors as mentioned above, the requirement of (i) Requisite number of non-executive director (not less than 50% of the Board of Directors) have been complied w.e.f. November 11, 2021; (ii) Woman / Woman Independent Director have been complied w.e.f. November 16, 2021; (iii) Requisite number of directors (not less than six directors) have been complied w.e.f. November 16, 2021. Also, the requirement of presence of at least one independent director in the meetings of the Board for forming the requisite quorum for the Board meeting have been complied.</p> <p>However, even after appointment of four Independent Directors on the Board of the Company, the requirement of requisite number of Independent Directors (at least half of the Board of Directors) was not complied during the FY 2021-22, for which the request for nomination has already been made to the Ministry of Railways.</p>

Observations contained in the Reports for FY 2021-22	Management Reply
<p>4. Appropriate composition of Audit Committee as required under Regulation 18(1) up to November 17, 2021, and requisite quorum in its meetings held up to November 12, 2021, as per Regulation 18(2)(b) of SEBI (LODR) Regulations, 2015.</p>	<p>The composition of the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, and Corporate Social Responsibility & Sustainability Committee was not in compliance with the legal requirements upto November 17, 2021, due to not having any Independent Director on the Board of the Company (upto November 10, 2021). After the appointment of Independent Directors on the Board of the Company, these Committees of the Board have been re-constituted in compliance with the legal requirements w.e.f. November 18, 2021.</p> <p>After the appointment of Independent Directors on the Board of the Company, the requisite quorum for the Audit Committee and Nomination & Remuneration Committee meetings have been complied.</p>
<p>5. Appropriate composition of Nomination and Remuneration committee as required under Regulation 19(1)/(2), up to November 17, 2021, and requisite quorum in its meeting held on June 29, 2021 as required under Regulation 19(2A) of SEBI (LODR) Regulations, 2015.</p>	
<p>6. Appropriate composition of Stakeholder Relationship Committee as required under Regulation 20(2A), and Risk Management Committee as required under Regulation 21(2) of SEBI (LODR) Regulations, 2015, up to November 17, 2021.</p>	
<p>7. Appropriate composition of Corporate Social Responsibility Committee as required under Section 135(1) of the Companies Act, 2013, up to November 17, 2021.</p>	

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

Sd/-

(Yogesh Kumar Misra)

Chairman & Managing Director and CEO

(DIN: 07654014)

Date: August 08, 2022

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 PROVISIO 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 Crore)
1.	Ircon Shivpuri Guna Tollway Limited (IrconSGTL) A wholly owned subsidiary Company	Awarding of Engineering Procurement Construction (EPC) Agreement for Execution of four laning of Shivpuri-Guna B-pass section of NH-3 from Km 236.000 to Km 332.100 in the State of Madhya Pradesh-Stage-II by IrconSGTL to IRCON	Date: Letter of Award dated 01.01.2021 and EPC agreement dated 20.01.2021 Duration: 12 months from the letter of award or handing over of site, whichever is later	Consideration: Actual cost plus 5% basis.	Not Applicable	Advance received of ₹13.94 Crore Repayment of advance ₹0.57 Crore
2.	Ircon Davanagere Haveri Highway Limited (IrconDHHL) A wholly owned subsidiary Company	Awarding of Engineering Procurement Construction (EPC) contract of Davanagere Haveri Highway Project from km 260+000 to km 338+923 of NH-48 (old NH-4) in the State of Karnataka to IRCON	Date: EPC Agreement dated 04.01.2018 Duration: Completion period is 30 months from Appointed date or handing over of land by IrconDHHL whichever is later. Further, extended up to 26.08.2021 vide IrconDHHL letter dated 10.08.2021.	Consideration: ₹916.93 Crore plus GST @12%.	Not Applicable	NIL

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount received/ paid as advances by IRCON, if any (₹ in Crore)
3.	Ircon Vadodara Kim Expressway Limited (IrconVKEL) A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) Contract for construction of eight lane Vadodara Kim Expressway from 323 km to 355 km in the state of Gujarat to IRCON	Date: EPC Agreement dated 09.11.2018 as modified vide Addendum 1 entered on 10.08.2019 and Addendum 2 entered on 03.01.2020 Duration: Completion period is 730 days reckoned from Appointed Date . Further, extended up to 30.05.2022 vide IrconVKEL letter dated 27.05.2022.	Consideration: ₹1377.73 Crore plus GST @12%.	Not Applicable	Repayment of advance of ₹21.97 Crore
4.	Ircon Gurgaon Rewari Highway Limited (IrconGRHL) A wholly owned subsidiary Company.	Awarding of Engineering Procurement Construction (EPC) Contract by IrconGRHL of work of upgradation of Gurgaon-Pataudi-Rewari section of NH-352W (design length 46.110 km) as Feeder route in the State of Haryana to IRCON	Date: Letter of Award dated 16.03.2021 and EPC Agreement dated 30.06.2021 Duration: Completion period is 548 days reckoned from Appointed dated including any further extension granted	Consideration: ₹606.54 Crore plus GST@12%	Not Applicable	NIL
5.	Chhattisgarh East Railway Limited (CERL) A Joint Venture Company	Award of work of execution of East Corridor Rail Project in Chhattisgarh by CERL to IRCON	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 of ₹ 1.36 Crore Repayment of advance ₹ 15.52 Crore
6.	Chhattisgarh East-West Railway Limited (CEWRL) A Joint Venture Company	Award of execution of East-West Corridor Rail Project in Chhattisgarh by CEWRL to IRCON	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 ₹ 5 Crore Repayment of advance ₹ 9.79 Crore

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the Board, if any	Amount received/ paid as advances by IRCON, if any (₹ in Crore)
7.	Mahanadi Coal Railway Limited (MCRL) A Joint Venture Company	Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by MCRL to IRCON	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 ₹ 2.29 Crore
8.	Jharkhand Central Railway Limited (JCRL) A Joint Venture Company	Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by JCRL to IRCON	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
9.	Bastar Railway Private Limited (BRPL) A Joint Venture Company	Award of work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings by BRPL to IRCON	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	Nil

Note:

1. All the above said transactions have been approved by the Audit Committee of IRCON.
2. Apart from above said transactions, other transactions & arrangements entered with related parties at arm's length basis and in ordinary course of business as approved by the Audit Committee are as follows:

- (i) Rendering or availing of services – Machinery, Manpower and other resources; Leasing of office space; Rendering or availing of services like deputation of manpower, administrative services; and transactions of sale and purchase of goods or etc. on cost basis having value of less than Rs.1 crore per transaction to and from subsidiary / associate / JV companies, for which the omnibus approval of the Audit Committee was granted.
 - (ii) IrconSGTL, a wholly owned subsidiary of the Company, awarded the work of construction of Civil and Electrical works for setting up of additional pressure swing absorption (PSA) Medical Oxygen Generation Plants at Guna & Aron in the State of Madhya Pradesh to IRCON for an amount of ₹ 34,45,207/- excluding GST.
 - (iii) IRCON assigned the work of revision of DPR and re-assessment of Traffic O-D study, fund appraisal, risk analysis of Jagdalpur-Rowghat Railway line of BRPL to Ircon Infrastructure & Services Limited, a wholly-owned subsidiary of the Company, at an estimated cost of ₹ 1.50 Crore plus taxes as applicable.
 - (iv) IrconVKEL, a wholly owned subsidiary of the Company, assigned the work of setting of additional pressure swing absorption (PSA) Medical Oxygen Plant at SSG Hospital, Vadodara in the State of Gujarat under PM CARES FUND to IRCON at a consideration of ₹ 14.39 Lakhs (including taxes).
3. In addition to above transactions, an amount of ₹ 45 Crore is lying against advances received from ISTPL towards arbitration claims.
 4. Loans to, investments made in and guarantees provided in connection with the loan of subsidiary and JV Companies etc. The members may refer to the financial statements which sets out the Related Party Disclosure pursuant to IND AS-24 and also the transactions during the year.

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

Sd/-

(Yogesh Kumar Misra)

Chairman & Managing Director and CEO

(DIN: 07654014)

Date: August 08, 2022

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 capitalization (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

DIVIDEND DISTRIBUTION POLICY

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 alongwith 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.

NOTES

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**Standalone
Financial
Statements
2021-22**

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of IRCON INTERNATIONAL LIMITED ("the company") which comprise the Balance Sheet as at 31st March 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by branch auditors of the Company's branches at Algeria, Bangladesh and Sri Lanka Region.

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2022. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

This report has been revised consequent upon observations

of Comptroller of Auditor General of India during the course of audit u/s 139(5) of the Companies Act, 2013 as amended, for the year ended on 31st March 2022, and this report supersedes our earlier report dated 27 May, 2022 under section 143 of the Companies Act, 2013.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial Statements.

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>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>Evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy</p> <p>Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of</p>

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

Key Audit Matter	How our audit addressed the matter
<p>to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancellations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>For details refer Note 39 to the Standalone Ind AS Financial Statements.</p>	<p>performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. • Performed analytical procedures for reasonableness of revenues disclosed
<p>Contingent Liabilities</p> <p>Contingent Liabilities There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases. (Refer Note No. 37 of the Standalone Financial Statements, read with the Accounting Policy No. 2.2.16).</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> • Reviewing the current status and material developments of legal matters. • Examining recent orders from competent authorities and / or communication received from various authorities, judicial forums and follow-up action thereon. • Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Key Audit Matter	How our audit addressed the matter
<p>System Environment and internal Controls</p> <p>The Company is having SAP system in place and only FI-CO module is Implemented and other system like payroll, inventory etc. is under the process of implementation Further, the SAP project system module (PS) is required to generate the projects invoices with integration support. The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p> <p>The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>Our audit planning & procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • 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 and presentation of these standalone Ind AS financial

statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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.

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Other Matters

- We did not audit the financial statements / financial information of three (3) foreign branches included in the standalone Ind AS financial statement of the company whose financial statements/financial information reflect total assets of ₹577.97 Crores (Previous year ₹411.85 Crores) as at 31st March 2022, total revenue of ₹444.69 Crores (Previous Year ₹518.97 crores) and total PBT of ₹41.79 crores (previous year ₹36.64 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 (₹0.08 Crores) (Previous Year ₹17.99 Crores) profit / (loss) net, the company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants and ₹0.59 Crores (Previous Year ₹0.51) profit net the company's share in 1 joint operation account certified by the management.

Our opinion is not modified in respect of these matters

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far 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.

- c. 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.
- d. 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 The Companies (Indian Accounting standards) Rules, 2015.
- 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 5 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, as amended, 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 37 to the standalone Ind AS financial statements.
 - (ii). The Company has made provision, as required under the applicable law or accounting standards, for material

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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.

(iv). a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no 46 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no 46 to the accounts, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner

whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v). As stated in note no 2.2.15 to the standalone Ind AS financial statements

a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

b) The interim dividend declared and paid by the company during the year and until the date of this report is in accordance with section 123 of the Act.

c) The Board of Directors of the company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

S. No	Directions	Auditor's Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	The Company is using SAP S/4 Hana system for all its projects located in India and also in its foreign branches. In case of foreign branches, the company implemented S/4 Hana in place of Tally software from 30 th September'2021. As per information and explanation provided to us no accounting transactions have been processed outside the IT system except income billing for which no financial implication were observed.

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No	Directions	Auditor's Replies
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	No, the Company does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company. However, the Company has given a loan to one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the company has booked interest on the basis of fair valuation as per Ind AS amounting to ₹15.45 crore.
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable for any specific scheme from central/ state agencies during the financial year 2021-22.

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN:22084072ANKUAK9117

Place: New Delhi

Date: July 22, 2022

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

“Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Ircon International Limited of even date)

To the best of our information and according to the explanation provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we stated that:

(i). In respect of the company’s Property, Plant and Equipment and Intangible Assets:

a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment and were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.

c) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that, the title/ lease deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statement included under Property, plant and equipment are held in the name of the Company as at the balance sheet date. However, in some cases where the company is the lessee and the lease agreements are not executed in favor of the company, as disclosed in additional disclosure of “**Note no 07**” Right-of- use Assets.

d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

e) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii). a) The inventory (excluding stocks lying with third parties) has been physically verified by the management at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on comparison of physical verification with book records.

b) The Company has not been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii). According to the information and explanation given to us and on the basis of our examination of the records, the Company has not made any investment in or provided securities to companies, firms, limited liability partnerships or any other parties during the year.

The companies have provided guarantee, granted loans and advances in nature of loans during the year to companies and others parties details of which are stated below. The company has not provided guarantees or granted loans or advances in the natures of loans during the years to firms limited liability partnerships.

a) (A) Based on the audit procures carried out by us and as per the information and explanations given to us, the company has granted loans to subsidiaries and joint ventures as below:

(₹ in Crores)

	Guarantees	Loans	Advances in nature of loan
Aggregate amount granted / provided during the year			

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

	Guarantees	Loans	Advances in nature of loan
-Subsidiaries*	1534.80	46.78	142.81
-Joint Ventures*	-	-	15.60
Balance Outstanding as at the balance sheet date			
-Subsidiaries*	1365.70	313.90	269.84
-Joint Ventures*	-	-	65.60

*As per the companies Act

(B) Based on the audit procedure carried out by us and as per the information and explanations given to us, the Company has granted advances in the natures of loans to other parties as below:

(₹ in Crores)

	Advance in the nature of loans- Employee advances
Aggregate amount granted / provided during the year	
- Other Parties	0.44
Balance Outstanding as at the balance sheet date	
- Other Parties	1.22

- b) In our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, In our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and receipt of interest are generally regular as per stipulation except in case of one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL) where company has waived off the interest for the period of October, 01 2019 till March, 31 2024.
- d) In respect of loan granted by the company, there is no overdue amount remaining outstanding as at the balance sheet date.

- e) No loan or advances in the nature of loans granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the companies Act, in respect of loans, investments, guarantees and security.
- (v). The Company has not accepted any deposits within the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, and rules made there under,
- (vi). The Company has maintained cost records as required under section 148(1) of the Companies Act. 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 31.03.2022 for a period of more than six months from the date the same become payable except balances outstanding.
- b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2022 on account of dispute are given below:

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
1	Sales Tax	Sales Tax-AGRP	0.93	2007-08 to 2012-13	The Additional Commissioner, Commercial Taxes, Ghaziabad
2	Sales Tax	Entry Tax- AGRP	0.02	2008-09 to 2013-14	The Additional Commissioner, Commercial Taxes, Ghaziabad
3	Sales Tax	UP TRADE TAX - UP 01	3.89	2004-05 to 2007-08	The Assessing Authority
4	Sales Tax	UPTT-UP-01 (Entry Tax)	0.16	2007-08	The Assessing Authority
5	Sales Tax	UPVAT ACT-UP-01	3.41	2007-08 & 2008-09	The Appellate Authority
6	Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.15	2007-08 to 2009-10	The Appellate Authority
7	Sales Tax	UPVAT ACT-UP-01	0.01	2010-11	The Deputy Commissioner
8	Sales Tax	Sales Tax-BE-08	0.26	2007-08 to 2009-10	The Additional Commissioner Appeal, Noida
9	Sales Tax	Sales Tax-BE-08 Entry Tax	0.003	2014-15	The Additional Commissioner Appeal, Noida
10	Sales Tax	UPTT-UP-05	1.31	2006-07 to 2007-08	Tribunal Jhansi Bench
11	Sales Tax	UPTT-UP-05	0.01	2005-06	High Court Allahabad
12	Sales Tax	UPVAT-UP-05	3.27	2007-08 to 2009-10	Tribunal Jhansi Bench
13	Uttar Pradesh VAT Act, 2008	UP VAT-UP-05	0.42	2011-12	Dy. Commissioner Appeal
14	Sales Tax	Sales Tax 2005-06 Godhra	1.90	2005-06	Dy. Commissioner Sales Tax Authority, Vadodara
15	Sales Tax	Sales Tax 2010-11-GED	0.05	2010-11	Asst Commercial Tax Officer, Margoa
16	Uttar Pradesh VAT Act, 2008	Demand raised for sales tax	0.08	1982-83 and 1989-90	Appellate Authority, Jhansi
17	Sales Tax Rewari – Ajmer Project	Works Contract Tax	1.84	2006-07 to 2010-11	High Court Rajasthan
18	Sales Tax	Sales Tax GED GOA	0.50	2011-12 to 2014-15	Asst Commercial Tax Officer, Margoa
19	Sales Tax	Demand Raised	1.19	2006-07	VAT Tribunal Chandigarh
20	Service Tax	Service Tax Demand	0.55	2015-16 to 2017-18	CESTAT Allahabad
21	Service Tax	Service Tax Demand	0.19	2015-16	Deputy/Assistant Commissioner Jaipur
22	Uttar Pradesh VAT Act, 2008	UP VAT (Regular) section 28(2) & (entry tax)	0.21	2015-16	The assessment order has been received. Appeal would be preferred
23	Uttar Pradesh sales Tax Act 1948	UP sales tax - section 3 kha	1.24	2005-06 & 2006-07	Appeal pending in Tribunal

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
24	Uttar Pradesh VAT Act, 2008	UP VAT (Regular) section 28 (2)	0.32	2015-16 to 2017-18	The assessment order has been received. Appeal would be filed.
25	Uttar Pradesh sales Tax Act 1948	UP Entry Tax – GB Nagar	0.05	2002-03 & 2003-04	Allahabad High Court
26	Jammu & Kashmir GST Act, 1962	Sales Tax	19.33	1999-00 to 2005-06	J&K High Court, Jammu and Deputy Commissioner Commercial Sales (appeal), Srinagar
27	Income Tax	Assessment Demand by DCT	8.04	AY 2016-17	Appeal filed before CIT(A)
28	Sales Tax - MRO	Sales Tax – MRO	3.51	1995-96 & 1996-97	Bombay High Court
29	Sales Tax- MRO	Sales Tax – MRO	3.97	2010-11 & 2011-12	Sales Tax Office, Mumbai
30	Sales Tax	Sales Tax, Maharashtra	42.53	2007-08	Sales Tax Office, Mumbai
31	Bihar Sales Tax 1981	Sales Tax	1.75	1987-88 and 1994-95	Bihar Sales Tax Tribunal, Khalgaon
32	West Bengal State Sales Tax Act 1994	Sales Tax	0.26	1998-99	Sr. Jt Commissioner (Appeals), Sales Tax, West Bengal
33	West Bengal VAT Act 2003	VAT	1.80	2004-05, 2016-17 & 2017-18	Asst. Comm. Of Sales Tax College St. Charge, Kolkata
34	Service Tax	Service Tax (Behala)	0.87	2015-16 to 2016-17	Joint/Additional Commissioner Kolkata
35	Service Tax	Service Tax on Agency Fees	12.91	2010-11 to 2014-15	CESTAT
36	Service Tax	Service Tax on Agency Fees	5.60	2009-10 to 2013-14	CESTAT
37	Service Tax	Service Tax on Agency Fees	2.06	2016-17 to 2017-18	CESTAT
38	Bihar VAT Act	VAT TDS	5.98	2005-06 and 2006-07	Bihar VAT Department, We Circle Patna
39	Bihar VAT Act	VAT	0.003	2010-11	Bihar VAT Department, West Circle Patna
40	Bihar VAT Act	VAT	29.20	2012-13	Bihar VAT Department, West Circle Patna
41	Service Tax	Service Tax Jagdalpur	2.84	2016-17 to 2017-18	Appeal Filed before Commissioner of Central and Customs Appeal, Chhatisgarh
42	Bihar VAT Act	Bihar VAT	33.46	2013-14	Writ Petition Filed before High Court

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
43	Bihar VAT Act	Bihar VAT	25.54	2014-15	Writ Petition Filed before High Court
44	Service Tax	Service Tax	2.16	2015-16	CESTAT, Kolkata
45	Bihar VAT Act 2005	Regular assessment under section 31	0.92	2015-16	The assessment order has been received. Appeal would be preferred
46	Central Excise Act, 1944	Levy of Excise Duty on Bracket/ Cantilever Assemblies	0.66	1998-99	CESTAT (Dept. Appeal)
47	UP VAT Act	Demand for Sales Tax	0.98	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
48	UP VAT Act	Demand for Sales Tax	0.14	2011-12	Addl. Commissioner Grade- 2 (Appeal) has remanded the matter on 28.03.20 for re assessment of the above case to DC/Sale Tax/RBL
49	UP VAT Act	Demand for Sales Tax	38.41	2012-13 to 2016-17	Addl. Commissioner Grade- 2 (Appeal), Lucknow
50	UP VAT Act 2008	UP VAT (Regular)section 28(2)	6.81	2017-18	Addl. Commissioner Grade- 2 (Appeal), Lucknow
51	Income Tax	Income Tax Demand u/s 115QA	56.73	2018-19	Appeal filed before CIT(A)
52	Income Tax	Income Tax	7.64	2018-19	Appeal filed before CIT(A)
53	Income Tax	Assessment Demand by DCT	8.04	AY 2019-20	Appeal filed before CIT(A)

*As compiled by the management and relied upon by us.

(viii). There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix). a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not

applicable.

d) On an overall examination of the financial statement of the Company, we report that no funds raised on short- term basis have been used for long term purpose of the company.

e) On an overall examination of the financial statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x). a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi). a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- (xii). The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Order is not applicable to the Company.
- (xiii). In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv). a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports of the company issued till date, for the period under audit.
- (xv). According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi). a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, clauses 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.
- b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. hence, clause 3(xvi)(c) of the Order is not applicable.
- c) According to the information and explanations provided to us during the course of audit, the Group does not have any Core Investment Company (CIC).
- (xvii). The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii). There has been no resignation of the statutory auditors during the year. Hence, clause 3(xviii) of the order is not applicable.
- (xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx). a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx) (a) of the Order is not applicable.
- b) In respect of ongoing projects, the Company has transferred unspent to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act, except in respect the following:

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

(₹ In Crore)

Financial Year	Amount unspent on Corporate Social Responsibility activities "Ongoing Projects"	Amount Transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount Transferred after the due date (specify the date of deposit)
2021-22	1.47	Nil	1.24* (15 th September 2021)

*₹0.23 has been spent during the period April 2021 to 15th Sep 2021 from company bank account and balance fund transferred to special Account.

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072ANKUAK9117

Place: New Delhi

Date: July 22, 2022

“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, 2022

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, 2022 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, 2022, “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 31.03.2022 based on our audit.

a. The Company has an integrated ERP system which

was not used at its full potential. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.

b. The Inventory records at some units are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to branches, is based on the corresponding report of other auditors.

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the standalone financial statement of the company for the year ended 31st March, 2022 and these areas do not affect our opinion on the Standalone financial statement of the company.

For HDSG & ASSOCIATES
Chartered Accountants
Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN:22084072ANKUAK9117

Place: New Delhi

Date: July 22, 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of IRCON INTERNATIONAL LIMITED ('the company') which comprise the Balance Sheet as at 31st March 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by branch auditors of the Company's branches at Algeria, Bangladesh and Sri Lanka Region.

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2022. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive

income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to it "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial Statements.

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><u>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</u></p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>Evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy</p> <p>Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of</p>

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Key Audit Matter	How our audit addressed the matter
<p>to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>For details refer Note 39 to the Standalone Ind AS Financial Statements.</p>	<p>performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. • Performed analytical procedures for reasonableness of revenues disclosed
<p>Contingent Liabilities</p> <p>Contingent Liabilities There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases. (Refer Note No. 37 of the Standalone Financial Statements, read with the Accounting Policy No. 2.2.16).</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> • Reviewing the current status and material developments of legal matters. • Examining recent orders from competent authorities and / or communication received from various authorities, judicial forums and follow-up action thereon. • Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.

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Key Audit Matter	How our audit addressed the matter
<p>System Environment and internal Controls</p> <p>The Company is having SAP system in place and only FI-CO module is implemented and other system like payroll, inventory etc. is under the process of implementation. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support. The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p>	<p>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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash

flows of the company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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

- We did not audit the financial statements / financial information of three (3) foreign branches included in the standalone Ind AS financial statement of

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

the company whose financial statements/financial information reflect total assets of ₹577.97 Crores (Previous year ₹411.85 Crores) as at 31st March 2022, total revenue of ₹444.69 Crores (Previous Year ₹518.97 crores) and total PBT of ₹41.79 crores (previous year ₹36.64 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 (₹0.08 Crores) (Previous Year ₹17.99 Crores) profit / (loss) net, the company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants and ₹0.59 Crores (Previous Year ₹0.51) profit net the company's share in 1 joint operation account certified by the management.

Our opinion is not modified in respect of these matters

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far 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.
 - c. 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.

- d. 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 The Companies (Indian Accounting standards) Rules, 2015.
- 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 5 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, as amended, 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 37 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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.

(iv). a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no 46 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no 46 to the accounts, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide

any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v). As stated in note no 2.2.15 to the standalone Ind AS financial statements

a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

b) The interim dividend declared and paid by the company during the year and until the date of this report is in accordance with section 123 of the Act.

c) The Board of Directors of the company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

S. No	Directions	Auditor's Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	The Company is using SAP S/4 Hana system for all its projects located in India and also in its foreign branches. In case of foreign branches, the company implemented S/4 Hana in place of Tally software from 30 th September'2021. As per information and explanation provided to us no accounting transactions have been processed outside the IT system except income billing for which no financial implication were observed.

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S. No	Directions	Auditor's Replies
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	No, the Company does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company. However, the Company has given a loan to one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the company has booked interest on the basis of fair valuation as per Ind AS amounting to ₹15.45 crore.
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable for any specific scheme from central/ state agencies during the financial year 2021-22.

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN:22084072AJVXPC6023

Place: New Delhi

Date: May 27, 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

“Annexure A” to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ircon International Limited of even date)

To the best of our information and according to the explanation provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we stated that:

- (i). In respect of the company's Property, Plant and Equipment and Intangible Assets:
- a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- b) The Property, Plant and Equipment and were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.
- c) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that, the title/ lease deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statement included under Property, plant and equipment are held in the name of the Company as at the balance sheet date. However, in some cases where the company is the lessee and the lease agreements are not executed in favor of the company.as disclosed in additional disclosure of “**Note no 07**” Right-of- use Assets.
- d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- e) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii). a) The inventory (excluding stocks lying with third parties) has been physically verified by the management at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification is appropriate. 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.
- b) The Company has not been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii). According to the information and explanation given to us and on the basis of our examination of the records, the Company has not made any investment in or provided securities to companies, firms, limited liability partnerships or any other parties during the year.
- The companies have provided guarantee, granted loans and advances in nature of loans during the year to companies and others parties details of which are stated below. The company has not provided guarantees or granted loans or advances in the natures of loans during the years to firms limited liability partnerships.
- a) (A) Based on the audit procures carried out by us and as per the information and explanations given to us, the company has granted loans to subsidiaries and joint ventures as below:

(₹ in Crores)

	Guarantees	Loans	Advances in nature of loan
Aggregate amount granted / provided during the year			
-Subsidiaries*	1534.80	46.78	142.81
-Joint Ventures*	-	-	15.60

**INDEPENDENT AUDITORS' REPORT
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	Guarantees	Loans	Advances in nature of loan
Balance Outstanding as at the balance sheet date			
-Subsidiaries*	1365.70	313.90	269.84
-Joint Ventures*	-	-	65.60

*As per the companies Act

(B) Based on the audit procedure carried out by us and as per the information and explanations given to us, the Company has granted advances in the natures of loans to other parties as below:

(₹ in Crores)

	Advance in the nature of loans- Employee advances
Aggregate amount granted / provided during the year	
- Other Parties	0.44
Balance Outstanding as at the balance sheet date	
- Other Parties	1.22

- b) In our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and receipt of interest are generally regular as per stipulation except in case of one of its subsidiary, Ircon PB Tollway Ltd. (IPBTL) where company has waived off the interest for the period of October, 01 2019 till March, 31 2024.
- d) In respect of loan granted by the company, there is no overdue amount remaining outstanding as at the balance sheet date.

- e) No loan or advances in the nature of loans granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the companies Act, in respect of loans, investments, guarantees and security.
- (v). The Company has not accepted any deposits within the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, and rules made there under,
- (vi). The Company has maintained cost records as required under section 148(1) of the Companies Act. 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 31.03.2022 for a period of more than six months from the date the same become payable except balances outstanding.
- b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2022 on account of dispute are given below:

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S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
1	Sales Tax	Sales Tax-AGRP	0.93	2007-08 to 2012-13	The Additional Commissioner, Commercial Taxes, Ghaziabad
2	Sales Tax	Entry Tax- AGRP	0.02	2008-09 to 2013-14	The Additional Commissioner, Commercial Taxes, Ghaziabad
3	Sales Tax	UP TRADE TAX - UP 01	3.89	2004-05 to 2007-08	The Assessing Authority
4	Sales Tax	UPTT-UP-01(Entry Tax)	0.16	2007-08	The Assessing Authority
5	Sales Tax	UPVAT ACT-UP-01	3.41	2007-08 & 2008-09	The Appellate Authority
6	Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.15	2007-08 to 2009-10	The Appellate Authority
7	Sales Tax	UPVAT ACT-UP-01	0.01	2010-11	The Deputy Commissioner
8	Sales Tax	Sales Tax-BE-08	0.26	2007-08 to 2009-10	The Additional Commissioner Appeal, Noida
9	Sales Tax	Sales Tax-BE-08 Entry Tax	0.003	2014-15	The Additional Commissioner Appeal, Noida
10	Sales Tax	UPTT-UP-05	1.31	2006-07 to 2007-08	Tribunal Jhansi Bench
11	Sales Tax	UPTT-UP-05	0.01	2005-06	High Court Allahabad
12	Sales Tax	UPVAT-UP-05	3.27	2007-08 to 2009-10	Tribunal Jhansi Bench
13	Uttar Pradesh VAT Act, 2008	UP VAT-UP-05	0.42	2011-12	Dy. Commissioner Appeal
14	Sales Tax	Sales Tax 2005-06 Godhra	1.90	2005-06	Dy. Commissioner Sales Tax Authority, Vadodara
15	Sales Tax	Sales Tax 2010-11-GED	0.05	2010-11	Asst Commercial Tax Officer, Margoa
16	Uttar Pradesh VAT Act, 2008	Demand raised for sales tax	0.08	1982-83 and 1989-90	Appellate Authority, Jhansi
17	Sales Tax Rewari – Ajmer Project	Works Contract Tax	1.84	2006-07 to 2010-11	High Court Rajasthan
18	Sales Tax	Sales Tax GED GOA	0.50	2011-12 to 2014-15	Asst Commercial Tax Officer, Margoa
19	Sales Tax	Demand Raised	1.19	2006-07	VAT Tribunal Chandigarh
20	Service Tax	Service Tax Demand	0.55	2015-16 to 2017-18	CESTAT Allahabad
21	Service Tax	Service Tax Demand	0.19	2015-16	Deputy/Assistant Commissioner Jaipur
22	Uttar Pradesh VAT Act, 2008	UP VAT (Regular) section 28(2) & (entry tax)	0.21	2015-16	The assessment order has been received. Appeal would be preferred
23	Uttar Pradesh sales Tax Act 1948	UP sales tax - section 3 kha	1.24	2005-06 & 2006-07	Appeal pending in Tribunal

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S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
24	Uttar Pradesh VAT Act, 2008	UP VAT (Regular) section 28 (2)	0.32	2015-16 to 2017-18	The assessment order has been received. Appeal would be filed.
25	Uttar Pradesh sales Tax Act 1948	UP Entry Tax – GB Nagar	0.05	2002-03 & 2003-04	Allahabad High Court
26	Jammu & Kashmir GST Act, 1962	Sales Tax	19.33	1999-00 to 2005-06	J&K High Court, Jammu and Deputy Commissioner Commercial Sales (appeal), Srinagar
27	Income Tax	Assessment Demand by DCT	8.04	AY 2016-17	Appeal filed before CIT(A)
28	Sales Tax - MRO	Sales Tax – MRO	3.51	1995-96 & 1996-97	Bombay High Court
29	Sales Tax- MRO	Sales Tax – MRO	3.97	2010-11 & 2011-12	Sales Tax Office, Mumbai
30	Sales Tax	Sales Tax, Maharashtra	42.53	2007-08	Sales Tax Office, Mumbai
31	Bihar Sales Tax 1981	Sales Tax	1.75	1987-88 and 1994-95	Bihar Sales Tax Tribunal, Khalgaon
32	West Bengal State Sales Tax Act 1994	Sales Tax	0.26	1998-99	Sr. Jt Commissioner (Appeals), Sales Tax, West Bengal
33	West Bengal VAT Act 2003	VAT	1.80	2004-05, 2016-17 & 2017-18	Asst. Comm. Of Sales Tax College St. Charge, Kolkata
34	Service Tax	Service Tax (Behala)	0.87	2015-16 to 2016-17	Joint/Additional Commissioner Kolkata
35	Service Tax	Service Tax on Agency Fees	12.91	2010-11 to 2014-15	CESTAT
36	Service Tax	Service Tax on Agency Fees	5.60	2009-10 to 2013-14	CESTAT
37	Service Tax	Service Tax on Agency Fees	2.06	2016-17 to 2017-18	CESTAT
38	Bihar VAT Act	VAT TDS	5.98	2005-06 and 2006-07	Bihar VAT Department, We Circle Patna
39	Bihar VAT Act	VAT	0.003	2010-11	Bihar VAT Department, West Circle Patna
40	Bihar VAT Act	VAT	29.20	2012-13	Bihar VAT Department, West Circle Patna
41	Service Tax	Service Tax Jagdalpur	2.84	2016-17 to 2017-18	Appeal Filed before Commissioner of Central and Customs Appeal, Chhattisgarh
42	Bihar VAT Act	Bihar VAT	33.46	2013-14	Writ Petition Filed before High Court

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No.	Name of the Statute	Nature of the Dues	Amount in (Crores)*	Period to which the amounts related	Forum where dispute is pending
43	Bihar VAT Act	Bihar VAT	25.54	2014-15	Writ Petition Filed before High Court
44	Service Tax	Service Tax	2.16	2015-16	CESTAT, Kolkata
45	Bihar VAT Act 2005	Regular assessment under section 31	0.92	2015-16	The assessment order has been received. Appeal would be preferred
46	Central Excise Act, 1944	Levy of Excise Duty on Bracket/ Cantilever Assemblies	0.66	1998-99	CESTAT (Dept. Appeal)
47	UP VAT Act	Demand for Sales Tax	0.98	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
48	UP VAT Act	Demand for Sales Tax	0.14	2011-12	Addl. Commissioner Grade- 2 (Appeal) has remanded the matter on 28.03.20 for re assessment of the above case to DC/Sale Tax/RBL
49	UP VAT Act	Demand for Sales Tax	38.41	2012-13 to 2016-17	Addl. Commissioner Grade- 2 (Appeal), Lucknow
50	UP VAT Act 2008	UP VAT (Regular)section 28(2)	6.81	2017-18	Addl. Commissioner Grade- 2 (Appeal), Lucknow
51	Income Tax	Income Tax Demand u/s 115QA	56.73	2018-19	Appeal filed before CIT(A)
52	Income Tax	Income Tax	7.64	2018-19	Appeal filed before CIT(A)
53	Income Tax	Assessment Demand by DCT	8.04	AY 2019-20	Appeal filed before CIT(A)

*As compiled by the management and relied upon by us.

(viii). There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix). a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

- d) On an overall examination of the financial statement of the Company, we report that no funds raised on short- term basis have been used for long term purpose of the company.
- e) On an overall examination of the financial statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x). a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi). a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- (xii). The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Order is not applicable to the Company.
- (xiii). In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv). a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports of the company issued till date, for the period under audit.
- (xv). According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi). a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, clauses 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.
- b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. hence, clause 3(xvi)(c) of the Order is not applicable.
- c) According to the information and explanations provided to us during the course of audit, the Group does not have any Core Investment Company (CIC).
- (xvii). The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii). There has been no resignation of the statutory auditors during the year. Hence, clause 3(xviii) of the order is not applicable.
- (xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx). a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx) (a) of the Order is not applicable.
- b) In respect of ongoing projects, the Company has transferred unspent to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act, except in respect the following:

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

(₹ In Crore)

Financial Year	Amount unspent on Corporate Social Responsibility activities "other than Ongoing Projects"	Amount Transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount Transferred after the due date (specify the date of deposit)
2021-22	1.47	Nil	1.24* (15 th September 2021)

*₹0.23 has been spent during the period April 2021 to 15th Sep 2021 from company bank account and balance fund transferred to special Account.

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072AJVXPC6023

Place: New Delhi

Date: May 27, 2022

“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, 2022

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, 2022 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, 2022, “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 31.03.2022 based on our audit.

a. The Company has an integrated ERP system which was not used at its full potential. Further, the SAP

project system module (PS) is required to generate the projects invoices with integration support.

b. The Inventory records at some units are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to branches, is based on the corresponding report of other auditors.

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the standalone financial statement of the company for the year ended 31st March, 2022 and these areas do not affect our opinion on the Standalone financial statement of the company.

For HDSG & ASSOCIATES
Chartered Accountants
Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN:22084072AJVXPC6023

Place: New Delhi

Date: May 27, 2022

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2022

(₹ in crore)

Particulars		Note No.	As at 31 st March 2022	As at 31 st March 2021
I.	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	188.29	254.63
	(b) Capital Work-in-Progress	4	-	0.27
	(c) Investment Property	5	555.18	511.01
	(d) Intangible Assets	6	0.44	0.25
	(e) Intangible Assets under Development	6	9.79	9.79
	(f) Right-of-use Assets	7	4.43	4.80
	(g) Financial Assets	8		
	(i) Investments	8.1	1,714.19	1,489.27
	(ii) Loans	8.2	283.47	1,385.18
	(iii) Other Financial Assets	8.3	17.90	74.03
	(h) Deferred Tax Assets (Net)	9	84.15	82.56
	(i) Other Non-Current Assets	10	30.00	47.64
	Total Non-Current Assets		2,887.84	3,859.43
2	Current Assets			
	(a) Inventories	11	272.26	117.60
	(b) Financial Assets	12		
	(i) Investments	12.1	50.00	16.31
	(ii) Trade Receivables	12.2	709.16	504.64
	(iii) Cash and Cash Equivalents	12.3	1,206.38	322.27
	(iv) Other Bank Balances	12.4	4,133.59	2,928.19
	(v) Loans	12.5	31.65	94.04
	(vi) Other Financial Assets	12.6	1,302.86	1,009.67
	(c) Current Tax Assets (Net)	13	56.26	9.08
	(d) Other Current Assets	14	2,077.21	1,802.81
			9,839.37	6,804.61
	Assets held for Sale	15	0.27	0.45
	Total Current Assets		9,839.64	6,805.06
	Total Assets		12,727.48	10,664.49
II.	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	16	188.10	94.05
	(b) Other Equity	17	4,432.86	4,312.43
	Total Equity		4,620.96	4,406.48
2	Liabilities			
(i)	Non-Current Liabilities			
	(a) Financial Liabilities	18		
	(i) Borrowings	18.1	-	-
	(ii) Lease Liabilities	18.2	0.15	0.15
	(iii) Trade Payables	18.3		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
	- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		-	-
	(iv) Other Financial Liabilities	18.4	505.68	266.26
	(b) Provisions	19	79.70	79.11
	(c) Other Non-Current Liabilities	20	53.66	333.50
	Total Non-Current Liabilities		639.19	679.02

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2022

Particulars		Note No.	As at 31 st March 2022	As at 31 st March 2021
(ii)	Current Liabilities			
	(a) Financial Liabilities	21		
	(i) Borrowings	21.1	-	-
	(ii) Lease Liabilities	21.2	0.01	0.01
	(iii) Trade Payables	21.3		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		3.21	6.11
	- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		1,007.12	731.79
	(iv) Other Financial Liabilities	21.4	2,587.27	2,383.89
	(b) Other Current Liabilities	22	3,645.15	2,173.03
	(c) Provisions	19	211.04	202.18
	(d) Current Tax Liability (Net)	23	13.53	81.98
	Total Current Liabilities		7,467.33	5,578.99
	Total Equity and Liabilities		12,727.48	10,664.49
III.	Summary of Significant Accounting Policies	2		
IV.	Notes forming part of Financial Statements	1 - 49		

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates

Chartered Accountants

FRN : 002871N

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

Yogesh Kumar Misra

Chairman & Managing Director,

CEO and Director (Works)

DIN-07654014

Sd/-

Harbir Singh Gulati

Partner

M. No. 084072

Sd/-

Mugunthan Boju Gowda

Chief Financial Officer

Sd/-

Ritu Arora

Company Secretary

FCS No. 5270

Place : New Delhi

Date : May 27, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March 2022	For the year ended 31 st March 2021
I. Revenue :			
Revenue from operations	24	6,910.15	4,955.93
II. Other income	25	270.85	244.38
III. Total Income (I + II)		7,181.00	5,200.31
IV. Expenses:			
Materials and Stores Consumed	26 (i)	512.13	366.63
(Increase) / Decrease in WIP	26 (ii)	(165.26)	211.77
Project Expenses	26 (iii)	5,885.72	3,736.28
Employee Benefits Expenses	27	248.59	229.33
Finance Costs	28	10.39	14.73
Depreciation, Amortisation and Impairment	29	27.49	24.84
Other Expenses	26 (iii)	51.88	42.71
Total Expenses (IV)		6,570.94	4,626.29
V. Profit Before exceptional items and Tax (III - IV)		610.06	574.02
VI. Exceptional items		-	-
VII. Profit before tax (V + VI)		610.06	574.02
VIII. Tax expenses:			
(1) Current tax	9		
- For the Period		159.87	144.47
- For earlier years (net)		(92.53)	13.86
(2) Deferred tax (net)		(1.60)	11.13
Total Tax Expense		65.74	169.46
IX Profit for the year from continuing operation (VII - VIII)		544.32	404.56
X Other Comprehensive Income	30		
A. (i) Items that will not be reclassified to profit or loss		(0.80)	(0.40)
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		0.20	0.10
B. (i) Items that will be reclassified to profit or loss		6.21	(1.21)
(ii) Income Tax relating to Items that will be reclassified to profit or loss		(1.56)	0.30
		4.05	(1.21)
XI Total Comprehensive Income for the year (IX + X) (Comprising profit/(loss) and other comprehensive income for the year, net of tax)		548.37	403.35
XII Earnings Per Equity Share:			
(For Continuing Operation)			
(1) Basic	35	5.79	4.30
(2) Diluted		5.79	4.30
Face Value Per Equity Share		2.00	2.00
XIII Summary of Significant Accounting policies	2		
XIV Notes forming part of financial statements	1-49		

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates
Chartered Accountants
FRN : 002871N

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-
Harbir Singh Gulati
Partner
M. No. 084072

Sd/-
Mugunthan Boju Gowda
Chief Financial Officer

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Place : New Delhi
Date : May 27, 2022

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in crore)

Particulars		For the Period ended 31 st March, 2022	For the Year ended 31 st March 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		610.06	574.02
Adjustment for :			
Interest on unwinding of financial instruments (Net)		(15.45)	-
Amortisation of financial instruments (Net)		(0.82)	(0.11)
Depreciation, amortization and impairment		27.49	24.84
Profit on sale of assets (net)		(1.00)	(3.76)
Profit on Sale of Mutual Funds		(1.15)	(2.01)
Interest Income		(154.79)	(156.13)
Dividend Received from Joint Venture Company		(41.00)	(17.00)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		14.09	7.84
Operating Profit before Current /Non-Current Assets and Liabilities	(1)	437.43	427.69
Adjustment for :			
Decrease / (Increase) in Trade Receivables		(204.53)	54.70
Decrease / (Increase) in Inventories		(154.66)	203.06
Decrease / (Increase) in Loans, Other Financial Assets & Other Assets		(466.39)	(189.54)
(Decrease) / Increase in Trade Payables		272.44	161.04
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		1,470.96	185.63
	(2)	917.82	414.89
Cash Generated From Operations	(1+2)	1,355.25	842.58
Income Tax Paid		(6.99)	(37.68)
NET CASH FROM OPERATING ACTIVITIES	(A)	1,348.26	804.90
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(4.51)	(3.52)
Acquisition of Intangible Assets and Intangible Assets under Development		(0.42)	(0.02)
Purchase / Proceeds of Investment Property		(0.07)	(30.49)
Sale of Property, Plant and Equipments & Intangible Assets		1.34	5.60
Sale of Mutual Funds		1,246.59	799.81
Purchase of Mutual Fund		(1,245.44)	(797.80)
Loan to Subsidiaries		3.56	(492.46)
Repayment of Loan from Subsidiaries and JVs		1,160.50	485.09
Interest Received		145.12	159.02
Dividend Received from Joint Venture Company		41.00	17.00
Investment in Subsidiaries & Joint Ventures		(278.63)	(32.05)
Redemption of Bonds		16.31	-
Bank Balance Other than Cash and Cash Equivalents		(1,201.51)	(815.75)
NET CASH FROM INVESTING ACTIVITIES	(B)	(116.16)	(705.57)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of Lease Liabilities		(0.01)	(0.02)
Final Dividend paid		(159.89)	(96.87)
Interim Dividend paid		(174.00)	(61.13)
NET CASH FROM FINANCING ACTIVITIES	(C)	(333.90)	(158.02)

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31st MARCH, 2022

Particulars		For the Period ended 31 st March, 2022	For the Year ended 31 st March 2021
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	(14.09)	(7.84)
NET DECREASE IN CASH & CASH EQUIVALENTS	(A+B+C+D)	884.11	(66.53)
CASH AND CASH EQUIVALENTS (OPENING) (Refer Note 2, 3, 4)	(E)	322.27	388.80
CASH AND CASH EQUIVALENTS (CLOSING) (Refer Note 2, 3, 4)	(F)	1,206.38	322.27
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(F - E)	884.11	(66.53)

Note:

- The above Cash flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
- Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Standalone Statement of Cash Flows:

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Cash in hand	0.06	0.05
Balances with banks:		
– On current accounts	864.01	154.17
– Flexi Accounts	241.42	128.23
– Deposits with original maturity of less than 3 months	100.89	39.82
Total Cash and Cash Equivalents as per Balance Sheet and Standalone Statement of Cash Flows	1,206.38	322.27

- Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

(₹ in crore)

Particulars	Lease Liabilities
As at 1 April 2020	0.17
(a) Cash Flows during the year	(0.02)
(b) Non Cash Changes due to :	
Interest cost on Lease Liabilities	0.01
As at 31 March 2021	0.16
(a) Cash Flows during the year	(0.01)
(b) Non Cash Changes due to :	
Interest cost on Lease Liabilities	0.01
As at 31 March 2022	0.16

- Previous year's figures have been regrouped/reclassified and restated wherever applicable.
- Earmarked and restricted balances are mentioned in Note 12.3 and 12.4.
- Figures in brackets represent outflow of cash.

As per our Report of even date attached

For HDSG & Associates
Chartered Accountants
FRN : 002871N

Sd/-
Harbir Singh Gulati
Partner
M. No. 084072

Place : New Delhi
Date : May 27, 2022

For and on behalf of Board of Directors

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
Mugunthan Boju Gowda
Chief Financial Officer

Sd/-
Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022

A. Equity Share Capital

For the year ended 31st March, 2022

(₹ in crore)

Particulars	Amount
Balance as at 01 April, 2020	94.05
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	94.05
Changes in equity share capital during the year	94.05
Balance as at 31 March, 2022	188.10

B. Other Equity

For the year ended 31st March, 2021

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2020	3,333.71	732.61	4.93	(4.17)	4,067.08
Profit for the year	-	404.56	-	-	404.56
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	(0.30)	-	-	(0.30)
Foreign Exchange translation difference	-	-	-	(0.91)	(0.91)
Total Comprehensive Income for the period	-	404.26	-	(0.91)	403.35
Dividend Paid	-	(158.00)	-	-	(158.00)
Balance as at March 31, 2021	3,333.71	978.87	4.93	(5.08)	4,312.43

For the year ended 31st March, 2022

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2021	3,333.71	978.87	4.93	(5.08)	4,312.43
Profit for the year	-	544.32	-	-	544.32
Other Comprehensive Income					-
Remeasurment of Defined Benefit Plans	-	(0.60)	-	-	(0.60)
Foreign Exchange translation difference	-	-	-	4.65	4.65
Total Comprehensive Income for the period	-	543.72	-	4.65	548.37
Dividend Paid	-	(333.89)	-	-	(333.89)
Bonus Issue	-	(94.05)	-	-	(94.05)
Balance as at March 31, 2022	3,333.71	1,094.65	4.93	(0.43)	4,432.86

As per our Report of even date attached

For HDSG & Associates
Chartered Accountants
FRN : 002871N

Sd/-
Harbir Singh Gulati
Partner
M. No. 084072

Place : New Delhi
Date : May 27, 2022

For and on behalf of Board of Directors

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
Mugunthan Boju Gowda
Chief Financial Officer

Sd/-
Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 27th May 2022.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- 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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

as an adjustment to the borrowing costs.

2.2.11 Taxes

a) Current income Tax

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

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

b) Deferred Tax

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.12 Foreign currencies

• Functional and presentation currency

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

• Transactions and balances

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

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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.

2.2.13 Employee benefit

- a) **Short-term employee benefits**

Employee benefits such as salaries,

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

- b) **Post-employment benefits**

Defined Contribution Plan: A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss during the period in which the employee renders the related services.

The Company has a defined contribution employee pension scheme which is administered through a separate trust (Ircon Defined Contribution Superannuation Pension Scheme 2009, Trust). The Contributions towards the trust are recognized in the statement of profit and loss of the period when the contributions to the trust are due.

Defined Benefit Plan: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Company. The company's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by a separate trust (Ircon Employees Group Gratuity Trust). The contributions to the gratuity trust for the period are recognized as expense and are charged to statement of profit and loss. The Company pays fixed contribution

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

to the recognized provident fund at predetermined rates to a separate trust (Ircon Contributory Provident Fund Trust), which invests the funds in permitted securities. The contributions to the fund for the period are recognized as expense and are charged to statement of profit and loss. The obligation of the company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India. The Company has Post-Retirement Medical Facility (PRMF) which is also funded by the Company and is managed by a separate trust (Ircon Medical Trust). The contributions to the medical trust for the period are recognized as expense and are charged to statement of profit and loss.

The Company's net obligation in respect of defined benefit plans is measured separately for each plan at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The calculation is performed by an independent actuary using the projected unit credit method and provided for if the circumstances indicate that the Trusts may not be able to generate adequate returns to cover the interest rates notified by the Government.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to statement of profit and loss.

Defined benefit costs comprising current

service cost, past service cost, interest cost and gains or losses on settlements are recognised in the statement of profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

c) Other long-term employee benefits

The Company treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the projected unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

2.2.14 Cash and cash equivalents

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

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

2.2.15 Dividend

Annual Dividend distribution to the Company's equity shareholders is recognized as liability in the period in which dividend is approved by the shareholders. Any interim dividend

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

is recognized as liability on approval by the Board of Directors. Dividend payable and corresponding tax on dividend distribution, if any, is recognized directly in equity.

2.2.16 Provisions, contingent assets and contingent liabilities

Provisions

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

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

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

Onerous contracts

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

recognises any impairment loss that has occurred on assets dedicated to that contract.

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

Contingent liabilities

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

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

Contingent assets

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

2.2.17 Leases

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

a) Company as a lessee

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

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

b) Company as a lessor

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

2.2.18 Financial instruments

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

a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- **Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

- **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive 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 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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. 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.

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For The Year Ended 31st March 2022

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
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

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For The Year Ended 31st March 2022

the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

Allowances for uncollected trade receivables

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

Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies

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

Impairment of financial assets

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the

inputs to the impairment calculation., based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Taxes

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

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

Impairment of non-financial assets

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Non-current asset held for sale

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

Leases - Estimating the incremental borrowing rate

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

Determining the lease term of contracts with renewal and termination options – Company as lessee

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

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

(e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Revenue recognition

The Company's revenue recognition policy, is central to how the Company values the work it has carried out in each financial year.

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

There are several long term and complex projects where the Company has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract:

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviews at each reporting date and adjust to reflect the current best estimates

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

3. Property, Plant and Equipment

(₹ in crore)

Particulars	Freehold Land	Lease hold Land	Freehold Buildings/ Flats-Residential	Freehold Buildings/ Flats-Non-Res.	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Foot Notes								(ii)	(i)			
Gross Carrying Amount (At Cost)												
As at 1st April 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
Additions	-	-	-	1.43	0.32	0.01	0.78	0.30	1.02	0.03	-	3.89
Disposals/Adjustments	-	-	-	(0.14)	(5.21)	(0.21)	(0.30)	(0.33)	(0.12)	-	(0.01)	(6.32)
Transfer to Asset held for sale	-	-	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Exchange (Gain) / Loss (iv)	-	-	-	0.06	(2.04)	(0.01)	(0.01)	(0.02)	(0.03)	(0.03)	(0.08)	(2.16)
As at 31st March 2021	42.69	36.89	6.36	63.02	169.20	1.74	6.81	4.48	4.75	2.86	2.83	341.63
Additions	-	-	-	-	1.35	1.04	0.68	0.37	1.20	0.15	-	4.79
Disposals/Adjustments	-	-	-	-	(0.28)	-	(0.35)	(0.10)	(0.11)	-	-	(0.84)
Transfer to Investment Property (Refer Note iii)	-	(36.89)	-	(19.40)	-	-	-	-	-	-	-	(56.29)
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss (iv)	-	-	-	0.19	0.35	0.01	(0.02)	0.03	0.01	-	0.06	0.63
At 31st March, 2022	42.69	-	6.36	43.81	170.62	2.79	7.12	4.78	5.85	3.01	2.89	289.92
Depreciation and impairment												
As at 1st April 2020	-	(0.01)	3.54	15.47	45.00	0.53	3.73	2.50	1.48	2.18	1.17	75.59
Depreciation charge for the year	-	-	0.10	3.20	11.23	0.19	1.00	0.59	0.37	0.38	0.30	17.37
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	0.01	-	-	(3.77)	(0.10)	(0.27)	(0.26)	(0.07)	-	-	(4.48)
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss (iv)	-	-	-	0.02	(1.39)	-	(0.01)	(0.02)	(0.02)	(0.02)	(0.04)	(1.48)
As at 31st March 2021	-	0.00	3.64	18.69	51.07	0.62	4.45	2.81	1.76	2.54	1.43	87.00
Depreciation charge for the year	-	-	0.10	2.99	10.87	0.17	1.00	0.51	0.49	0.12	0.30	16.55
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(0.10)	-	(0.27)	(0.07)	(0.05)	-	-	(0.49)
Transfer to Investment Property (Refer Note-iii)	-	-	-	(1.85)	-	-	-	-	-	-	-	(1.85)
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss (iv)	-	-	-	0.09	0.30	-	(0.02)	0.01	-	-	0.03	0.42
At 31st March, 2022	-	0.00	3.74	19.92	62.14	0.79	5.16	3.26	2.20	2.66	1.76	101.63
Net book value												
At 31st March 2022	42.69	0.00	2.62	23.89	108.48	2.00	1.96	1.52	3.65	0.35	1.13	188.29
At 31st March 2021	42.69	36.89	2.72	44.33	118.13	1.12	2.36	1.67	2.99	0.32	1.40	254.63
Foot Notes:-												
(i) Furniture & Fixtures includes Furnishings also.												
(ii) Office Equipment includes Electrical Appliances and Air Conditioners, the life of such item is considered as 10 years and 5 years respectively												
(iii) Property situated at Noida Sector-1 transferred from PPE to Investment Property												
(iv) Carrying amount include Foreign Exchange Loss/Gain on account of PPE translation from functional currency to presentation currency.												

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For The Year Ended 31st March 2022

4. Capital Work in Progress

(₹ in crore)

Particulars	Amount
As at 1 April 2020	0.66
Additions (subsequent expenditure)	0.01
Capitalised during the year	(0.40)
As at 31 March 2021	0.27
Additions (subsequent expenditure)	-
Capitalised during the year	(0.27)
As at 31 March 2022	-
Net Book Value	
At 31 March 2022	0
At 31 March 2021	0.27

The Ageing Schedule of Capital -work-in progress for the year ended as at 31st March 2022 and March 2021 is as follows:

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at March 31, 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021					
Projects in progress	-	0.27	-	-	0.27
Projects temporarily suspended	-	-	-	-	-
	-	0.27	-	-	0.27

There are no projects where activity has been suspended.

There are no projects as at 31st March 2022 & 31st March 2021 which has exceeded its cost or completion is overdue.

5. Investment Property

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
As at 1 April 2020	290.31	0.57	128.38	2.23	65.82	-	3.04	490.35
Additions (subsequent expenditure)*	-	-	-	-	30.49	-	-	30.49
Derecognised during the year	-	-	(1.57)	-	-	-	-	(1.57)
Capitalised during the year	-	-	-	-	-	-	-	-
As at 31 March 2021	290.31	0.57	126.81	2.23	96.31	-	3.04	519.27
Additions (subsequent expenditure)*	-	-	-	-	0.07	-	-	0.07
Transfer From Property, Plant and Equipment (Refer Note-iv)	36.89	-	19.40	-	-	-	-	56.29
Capitalised during the year	-	-	-	-	(96.38)	96.38	-	-
As at 31 March 2022	327.20	0.57	146.21	2.23	-	96.38	3.04	575.63

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
Depreciation and impairment								
As at 1 April 2020	-	-	1.06	-	-	-	0.27	1.33
Depreciation during the year	-	-	6.89	-	-	-	0.04	6.93
As at 31 March 2021	-	-	7.95	-	-	-	0.31	8.26
Depreciation during the year	-	-	7.01	-	-	3.28	0.04	10.34
Transferred from Property, Plant and Equipment (Refer Note-iv)	-	-	1.85	-	-	-	-	1.85
As at 31 March 2022	-	-	16.81	-	-	3.28	0.36	20.45
Net Block								
At 31 March 2022	327.20	0.57	129.40	2.23	-	93.10	2.68	555.18
At 31 March 2021	290.31	0.57	118.86	2.23	96.31	-	2.73	511.01

Information regarding income and expenditure of Investment property

(₹ in crore) (₹ in crore)

Particulars	31 March 2022	31 March 2021
Rental income derived from investment properties	0.54	0.41
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	0.01	0.01
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year	-	-
Profit arising from investment properties before depreciation and indirect expenses	0.53	0.40
Less: Depreciation during the year	(0.27)	(0.04)
Profit arising from investment properties before indirect expenses	0.26	0.36

Reconciliation of fair value

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
Opening balance at 1 April 2020	228.47	0.57	128.02	125.16	66.19	-	7.09	555.50
Additions	-	-	-	-	30.49	-	-	30.49
Derecognised	-	-	(1.57)	-	-	-	-	(1.57)
Fair value difference	(11.15)	(0.57)	(9.66)	(6.68)	(9.31)	-	0.78	(36.60)
Closing balance At 31 March 2021	217.32	-	116.79	118.48	87.37	-	7.87	547.83
Additions	-	-	-	-	0.07	-	-	0.07

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
Transferred from Property, Plant and Equipment (Refer Note-iv)	25.02	-	16.59	-	-	-	-	41.61
Capitilised During the Year					(87.44)	87.44		-
Fair value difference for the year	5.89	-	3.32	3.34	-	2.69	1.49	16.72
Closing balance At 31 March 2022	248.23	-	136.70	121.82	-	90.13	9.36	606.23
Note:-								
Investment Property acquired						-		
Fair value difference for the year	5.89	-	3.32	3.34	-	2.69	1.49	16.72
Investment Property self constructed	248.23	-	136.70	121.82	-	90.13	9.36	606.23
	248.23	-	136.70	121.82	-	90.13	9.36	606.23

- (i) These valuations are based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 applying valuation model acceptable internationally. Fair Values are based on cost & income/cost/market value approach. As per assumption made by valuer GST has not been considered for valuation purpose
- (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.
- (iv) Property situated at Noida Sector-1 transferred from PPE to Investment Property

(₹ in crore)

* Detail of Additions (subsequent expenditure)	31 March 2022	31 March 2021
	Capital work in progress Gurugram	Capital work in progress Gurugram
- Work Expenses	(0.20)	26.84
- Consultancy Charges	0.22	0.34
- Salary & Wages	0.02	0.70
- Rates & Taxes	-	0.01
- Vehicle Operation and Maintenance	-	0.05
- Power, Electricity and Water charges	0.03	2.38
- Advertisement & Publicity	-	0.01
- Tour & Travelling	-	0.01
- Misc. Operating Exp.	-	0.15
Total	0.07	30.49

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

6. Intangible Assets

(₹ in crore)

Particulars	Intangible Assets under Development (Software)	Other Intangibles (Software)
Gross Block		
As at 1 April 2020	9.79	2.11
Addition during the year	-	0.02
Disposals / adjustment during the year	-	-
As at 31 March 2021	9.79	2.13
Addition during the year	-	0.42
Disposals / adjustment during the year	-	-
As at 31 March 2022	9.79	2.55
Amortisation and Impairment		
As at 1 April 2020	-	1.71
Amortisation during the year	-	0.17
Sales / adjustment during the year	-	-
As at 31 March 2021	-	1.88
Amortisation during the year	-	0.23
Sales / adjustment during the year	-	-
As at 31 March 2022	-	2.11
Net book value		
At 31 March 2022	9.79	0.44
At 31 March 2021	9.79	0.25

Foot Notes:-

(i) Intangible assets under development represents capital expenditure made for acquiring SAP S4 / HANA ERP software.

The Ageing Schedule of Intangible Assets under Development for the year ended as at 31st March 2022 and 31st March 2021 is as follows.

(₹ in crore)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at March 31, 2022					
Projects in progress	-	-	9.79	-	9.79
Projects temporarily suspended	-	-	-	-	-
	-	-	9.79	-	9.79
As at March 31, 2021					
Projects in progress	-	9.79	-	-	9.79
Projects temporarily suspended	-	-	-	-	-
	-	9.79	-	-	9.79

In Case of below projects, completion is overdue, total cost approved is ₹ 26.16 Crore and the project is expected to be completed as below:

(₹ in crore)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
SAP S-4 HANA SAP/ERP	14.18	2.18	-	-
Project 2				
Projects temporarily suspended				
Project 1	-	-	-	-
Project 2	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

7. Right-of-use Assets

(₹ in crore)

Particulars	Land (ii)	Building (i)	Vehicles	Total
Gross Block				
As at 1st April 2020	1.25	5.21	0.04	6.50
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2021	1.25	5.21	0.04	6.50
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2022	1.25	5.21	0.04	6.50
Depreciation and Impairment				
As at 1st April 2020	0.07	1.24	0.02	1.33
Depreciation during the year	0.04	0.31	0.02	0.37
Impairment	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2021	0.11	1.55	0.04	1.70
Depreciation during the year	0.05	0.32	-	0.37
Impairment	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2022	0.16	1.87	0.04	2.07
Net Book Value				
At 31st March, 2022	1.09	3.34	-	4.43
At 31st March, 2021	1.14	3.66	-	4.80

- i) Includes lease hold building on Railways land for 30 years lease at San Martin Marg, New Delhi; Pali Hill, Mumbai & Metro Railway Service Building, Kolkata for which agreement is yet to be finalised.
- ii) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ₹ 0.76 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.

Title deeds of immovable properties not held in name of the company.

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company (also indicate if in dispute)
RIGHT TO USE BUILDING RESIDENTIAL - LEASE ASSET	Pali Hill, Bandra Flat No. 401 Mumbai	0.21	WESTERN RAILWAY	NA	14-08-2002	Flats are constructed on Railway Land and has been leased to IRCON by respective Zonal Railway for a period of 30 years based on instruction issued in this regard.
RIGHT TO USE BUILDING RESIDENTIAL - LEASE ASSET	Flats at St. Martin, New Delhi	2.26	NORTHERN RAILWAY	NA	16-09-2004	

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company (also indicate if in dispute)
RIGHT TO USE BUILDING NON RESI. - LEASE ASSET	Metro Rail Sevice Building, Kolkatta	0.75	METRO RAIL, KOLKATA	NA	03-03-2000	Office accomodation constructed by Metro Railway, Kolkata on Railway Land and has been leased out to IRCON for a period of 30 years as per instruction issued in this regard.

8. Non-Current Financial Assets

8.1 Non-Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
1. Investments in Equity Instruments (fully paid-up, unquoted, at cost)		
<u>A) Subsidiary Companies</u>		
Ircon Infrastructure & Services Limited 6,50,00,000 equity shares of ₹10 each (31 March 2021 : 6,50,00,000)	65.00	65.00
Ircon PB Tollway Limited 16,50,00,000 equity shares of ₹10 each (31 March 2021 : 16,50,00,000) (Refer note (i) h)	230.79	165.00
Ircon Shivpuri Guna Tollway Limited 15,00,00,000 equity shares of ₹10 each (31 March 2021 : 15,00,00,000) (Refer note (i) g)	150.19	150.00
Ircon Vadodara Kim Expressway Limited 1,00,00,000 equity shares of ₹10 each (31 March 2021 : 1,00,00,000 equity shares) (Refer note (i) a)	179.42	135.77
Ircon Davanagere Haveri Highway Limited 17,30,00,000 equity shares of ₹10 each (31 March 2021 : 16,40,50,000 equity shares) (Refer note (i) c)	187.69	169.05
Ircon Gurgaon Rewari Highway Limited Limited 50000 equity Share of ₹10 each (31 March 2021: 50000 equity shares) (Refer note (i) d)	18.40	0.05
Ircon Akloli-Shirsad Expressway Limited 50000 equity Share of ₹10 each (31 March 2021: Equity Share Nil)	0.05	-
Ircon Ludhiana Rupnagar Highway Limited 50000 equity Share of ₹10 each (31 March 2021: Equity Share Nil)	0.05	-
Ircon Bhoj Morbe Expressway Limited 50000 equity Share of ₹10 each (31 March 2021: Equity Share Nil)	0.05	-
Ircon Haridwar Bypass Limited 50000 equity Share of ₹10 each (31 March 2021: Equity Share Nil)	0.05	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	As at 31 st March 2022	As at 31 st March 2021
Ircon Renewable Power Limited 3800000 Equity Share of ₹10 Each (31 March 2021 : Nil equity shares) (Refer note (i) f)	5.20	-
Total (A) - Investment in Subsidiary Companies	836.89	684.87
B) Joint Venture Companies		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of ₹10 each fully paid. (31 March 2021 : 6,38,70,000) (Refer note (ii) a & b)	64.15	64.15
Indian Railway Stations Development Corporation Limited 5,19,99,699 equity shares of ₹10 each (31 March 2021: 5,19,99,699 equity shares) (Refer note (iii) a & b)	52.00	52.00
Bastar Railway Pvt. Limited 7,63,37,300 equity shares of ₹10 each (31 March 2021 : 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 2021 : 1,30,00,000) (Refer note (i) b)	63.00	63.00
Mahanadi Coal Railway Limited 2,60,00,000 equity shares of ₹10 each (31 March 2021 : 13,000 equity shares)	26.00	0.01
Chhattisgarh East Railway Limited 19,78,55,700 equity shares of ₹10 each fully paid. (31 March 2021 : 14,25,75,700 equity shares) (Refer note (i) (e))	213.46	142.58
Chhattisgarh East-West Railway Limited 15,71,70,000 equity shares of ₹10 each fully paid. (31 March 2021 : 13,11,70,000 equity shares)	157.17	131.17
Total (B) - Investment in Joint Venture Companies	652.12	529.25
2. Investment in Bonds (Quoted, at Amortised cost)		
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, Nil units of ₹10,00,000 each (31 March 2021 : 500 units)	-	49.99
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of ₹1,000 each (31 March 2021 : 5,00,000 units)	50.00	50.00
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each (31 March 2021 : 500 units)	49.98	49.97
7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of ₹10,00,000 each (31 March 2021 : 250 units)	25.00	25.00
7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of ₹1,000 each (31 March 2021 : 3,02,000 units)	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of ₹1,000 each (31 March 2021 : 1,99,989 units)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of ₹10,00,000 each (31 March 2021 : 500 units)	50.00	49.99
Total (2) - Investment in Bonds (Quoted)	225.18	275.15
Total Non - Current Investments (1+2)	1,714.19	1,489.27
Aggregate Book value of quoted investments	225.18	275.15
Aggregate Market value of quoted investments	252.66	325.96
Aggregate Book value of unquoted investments 1(A)+1(B)	1,489.01	1,214.12
Aggregate amount of impairment in value of investments	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- (i) (a) BoD has approved the Equity participation (committed), not exceeding ₹10.00 crore in WOS, Ircon Vadodara Kim Expressway limited (IVKEL) Further, BoD has approved interest free advance not exceeding ₹195.71 crore for IVKEL out of which ₹169.18 crore has been paid, Further includes fair value of the financial guarantee of ₹0.24 Crore issued by IRCON to Bank of Baroda on behalf of and in respect of term loan facility availed by IVKEL.
- (b) Board of Directors have approved Interest free advance, of ₹50 crores in favour of Jharkhand Central Railway Limited (JCRL). The loan will be repaid only on winding up of the Project or end of conecession period which ever is later.
- (c) Includes fair value of the financial guarantee of ₹0.83 Crore (as on 31.03.2021 ₹5.00 Crore) issued by IRCON to Punjab National Bank on behalf of and in respect of term loan facility availed by Ircon Davangeeri Haveri Highway Limited (IDHHL), WOS. Further, BoD has approved interest free advance not exceeding ₹13.86 crore for IDHHL which has been paid
- (d) BoD has approved the Equity participation (committed), not exceeding ₹5 Lakh for WOS, Ircon Gurgaon Rewari Highway Limited (IGRHL).Further, BoD has approved interest free advance not exceeding ₹103.18 crore for IGRHL out of which ₹18.35 crore has been paid
- (e) BoD has approved interest free advance not exceeding ₹15.60 crore for Chhattisgarh East Railway Limited (CERL) which has been paid.
- (f) BoD has approved the Equity participation (committed), not exceeding ₹3.80 crore in Ircon Renewal Power Limited (IRPL) Further, BoD has approved interest free advance not exceeding ₹108.03 crore in IRPL out of which ₹1.40 crore has been paid.
- (g) Includes fair value of the financial guarantee of ₹0.19 Crore issued by Ircon to State Bank on behalf of and in respect of term loan facility availed by Ircon Shivpuri Guna Tollway Limited (ISGTL).
- (h) The Company vide board approval dated August 12, 2021 has waived interest on its Loan given to IRCON PB Tollway Limited for the period October 01, 2019 till March 31, 2024 and deferment of balance interest till repayment of principal. The said waiver has been considered as Investment in subsidiary by the Company in accordance with provision of Ind AS. Accordingly ₹65.79 crore has been included in above.
- (ii) (a) As per Articles of Association (Article V) of Ircon Soma Tollway Private Limited (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 31.03.2022 is ₹Nil (as on 31.03.2021 ₹Nil).
- (iii) (a) The Board of Directors of Indian Railway Stations Development Corporation Limited, a Joint Venture Company, in its meeting held on 29th September, 2020 has approved participation of Rites limited as third strategic partner / shareholder with consequent revision in the shareholding pattern among RLDA, IRCON and RITES in the ratio of 50:26:24 respectively.
- (b) Indian Railway Station Development Corporation Limited (IRSDC) has received a letter from Ministry of Railway dated 18.10.2021 for closure of business and transfer/hand over of its business/assets to RLDA/MoR. Accordingly, all assets and liabilities as on 31.03.2022 are to be transferred to RLDA/MoR on slump sale basis other than investment in GARUD & SITCO for a consideration not less than the book value as approved in the 55th BOD meeting held on 05.05.2022 of IRSDC. Till such time the slump sale is approved by competent authority i.e. IRSDC/RLDA/MoR the investment is carried at cost.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

8.2 Non-Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March 2021
A. Considered Good : Secured		
Staff Loans and Advances	0.07	0.13
B. Considered Good : Unsecured		
(i) Loans to Related Parties:		
- Ircon Shivpuri Guna Tollway Limited	-	490.07
- Ircon PB Tollway Limited (Refer Note i)	209.78	297.04
- Ircon Vadodara Kim Expressway Limited	34.48	571.18
- Ircon Davanagere Haveri Highway Limited	38.76	26.46
(ii) Others:		
Staff Loans & Advances	0.38	0.30
Total	283.47	1,385.18

Foot Notes:-

- (i) The Company vide board approval dated August 12, 2021 has waived interest on its Loan given to IRCON PB Tollway Limited for the period October 01, 2019 till March 31, 2024. The said waiver has been considered as Investment in subsidiary by the Company in accordance with provision of Ind AS. {Refer Note 8.1 (i) (h)}

Loan or advances in the nature of Loans granted to related parties: where without specifying any terms or period of repayment

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans [^]	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans [^]
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	283.02	99.84%	1,384.75	99.97%
Total	283.02	99.84%	1,384.75	99.97%

* Represents loan or advance in the nature of loan

[^]represents percentage to the total Loans and Advances in the nature of loans

8.3 Non-Current Assets - Other Financial Assets

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March 2021
Considered Good : Unsecured		
Security Deposits		
- Government Departments	0.01	0.01
- Others	0.05	0.20
Contract Asset:		
- Retention Money with Client	2.61	57.27
- Money Withheld by Client	-	1.22
Fixed Deposits with original maturity of more than 12 months {refer foot note (i)}	0.01	0.01
Interest Accrued on Advances to Staff #	0.22	0.32
Recoverable from Rail Land Development Authority (RLDA) {refer foot note (ii)}	630.31	1245.61
Less : Loan From Indian Railway Finance Corporation {Refer Note 18.1}	(615.31)	(1,230.61)
Total	17.90	74.03

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March 2021
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total	-	-

Foot Notes:-

- (i) Includes FDRs under Lien for ₹0.01 crore (as on 31 March 2021 : ₹0.01 crore).
- (ii) The Company has raised a loan from Indian Railway Finance Corporation (“IRFC”) (Refer note 18.1) which in turn have been paid to Railway Land Development Authority (“RLDA”) in terms of lease agreement. As per the Memorandum of understanding (“MOU”) entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company, at least five (5) days prior to their respective due date under the Loan Agreement, into such account as maybe designated by IRFC. RLDA and Ministry of railways (“MoR”) shall mutually enter into appropriate arrangements for corresponding disbursement of funds from MoR to RLDA. The terms and conditions of this recoverable amount is same as in the case of the said loan. The Company shall be entitled to appoint appropriate developer(s) through open, competitive and transparent bid process for the purposes of undertaking the commercial development of the Project Site, and for the purposes thereof further sub-lease the Project Site (together with all associated Development Rights) to the developers so identified by the Company.

9 Deferred Tax Assets (Net)

- (a) The major components of income tax expense for the year ended 31st March, 2022 and 31st March 2021 are

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2022	31 st March 2021
1	Statement of Profit and Loss Section		
	Current income tax :		
	Current income tax charge	159.87	144.47
	Adjustment in respect of current tax of previous year	(92.53)	13.86
	Deferred tax :		
	Relating to origination and reversal of temporary differences	(1.60)	11.13
	Income tax expense reported in the Statement of Profit and Loss Section	65.74	169.46
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	(0.20)	(0.10)
	Net loss/(gain) on exchange gain/ loss	1.56	(0.30)
	Income tax expense reported in the OCI Section	1.36	(0.40)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2022	31 st March 2021
1	Accounting profit before income tax	610.05	574.02
2	Tax on Accounting Profit	153.54	144.47
3	Effect on Tax Adjustments:		
(i)	Adjustments in respect of current income tax of previous years	(92.40)	(4.40)
(ii)	Utilisation of previously unrecognised tax losses	-	-
	- Non taxable items	(20.07)	(5.93)
	rate Difference		
	-Other	0.36	-
(iii)	Tax on Income exempt from tax	-	-
(iv)	<u>Non-deductible expenses for tax purposes:</u>		
	-Other country additional tax	20.82	32.08
	-Other non-deductible expenses	4.85	2.83
(v)	Tax effect of various other items	-	-
		67.10	169.05
4	Income tax expense reported in the statement of profit and loss	67.10	169.05
5	Effective Tax rate	11.00%	29.45%

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

(₹ in crore)

S. No.	Particulars	Balance sheet		Statement of profit or loss	
		31 st March, 2022	31 st March 2021	31 st March, 2022	31 st March 2021
1	Property, plant & equipment (including intangible): Difference in book depreciation and income tax depreciation	(18.72)	(14.73)	4.00	3.14
2	Provisions	73.78	70.95	(2.84)	4.39
3	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	29.09	26.34	(2.75)	3.60
	Net deferred tax Assets / (Liabilities)	84.15	82.56	(1.59)	11.13

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(d) Reflected in the balance sheet as follows:

(₹ in crore)

S. No.	Particulars	For the Year ended	
		As at 31 st March, 2022	As at 31 st March 2021
1	Deferred tax assets	102.88	97.29
2	Deferred tax liability	(18.73)	(14.73)
	Deferred Tax (Liabilities) / Asset (Net)	84.15	82.56

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

As at 31 March 2022

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2021 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31 st March 2022 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(14.73)	(4.00)	-	(18.73)
2	Provisions	70.95	2.84	-	73.79
3	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	26.34	2.75	-	29.09
	Net deferred tax assets / (liabilities)	82.56	1.59	-	84.15

As at 31 March 2021

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2020 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31 st March 2021 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(11.60)	(3.14)	-	(14.73)
2	Provisions	75.34	(4.39)	-	70.95
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	(3.60)	-	26.34
	Net deferred tax assets / (liabilities)	93.68	(11.13)	-	82.56

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

10. Other Non-Current Assets

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Considered Good : Unsecured		
Advances Other than Capital Advances		
Advances to Contractors against material and machinery	-	28.50
Advances to Contractors, Suppliers and Others	-	-
Deposits with Tax Departments	-	-
Interest Accrued on :		
- Advances to Contractors, Suppliers & others	30.00	19.14
Total	30.00	47.64

11. Inventories

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated)		
- In Hand	18.42	22.06
- With Third Parties	33.76	44.22
- In Transit	3.31	0.47
Others (Scrap)	0.59	0.81
Construction Work In progress (valued at Cost)	216.18	50.04
Total	272.26	117.60

12. Current Assets - Financial Assets

12.1 Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
1. Investment in Bonds (Quoted, at Amortised cost)		
8.00% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, Nil units of ₹1,000 each (31 March 2021: 163,131 units)	-	16.31
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each (31 March 2021 : Nil)	50.00	-
Total	50.00	16.31
Aggregate book value of quoted investments	50.00	16.31
Aggregate Market value of quoted investments	55.23	17.52
Aggregate book value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

12.2 Current Financial Assets - Trade Receivables

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Secured, considered good	-	-
Unsecured, considered good*	720.14	504.64
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	19.59	20.48
	739.73	525.12
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(10.98)	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	(19.59)	(20.48)
Total	709.16	504.64

* Includes Receivables from related parties ₹258.10 crore (As at 31st March 2021: ₹171.42 crore) and are disclosed in Note : 33 (c) 4.1

Trade Receivable Ageing Schedule for the year ended as at 31st March 2022 and 31st March 2021

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	405.34	147.04	117.62	13.19	19.69	17.26	720.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	19.59	19.59
Total	-	405.34	147.04	117.62	13.19	19.69	36.85	739.73

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2021 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	308.26	107.45	18.06	46.09	25.44	19.80	525.12
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	-	308.26	107.45	18.06	46.09	25.44	19.80	525.12

12.3 Current Financial Assets - Cash and Cash equivalents

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Cash on hand		0.06	0.05
Balances with banks:			
– On current accounts		864.01	154.17
– Flexi Accounts	(i) & (ii)	241.42	128.23
– Deposits with original maturity of less than 3 months	(i) & (ii)	100.89	39.82
		1,206.38	322.27

12.4 Current Financial Assets - Other Bank Balances

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Other Bank Balances			
Deposits with original maturity of more than 3 months but less than 12 months	(i) & (ii)	4,131.68	2,928.05
Dividend Distribution Account	(iii)	1.91	0.14
		4,133.59	2,928.19

Foot Notes:- For Note 12.3 & 12.4

- (i) Includes Clients Fund of ₹3,291.29 crore (31st March 2021: ₹2,018.35 crore) on which interest is passed on to them.
- (ii) Includes Project Fund against trade payable ₹1,010.33 Cr. (31st March 2021: ₹737.90 Crore)
- (iii) Includes ₹1.57 Crore TDS Payable on Interim Dividend Q3 FY 2021-22

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

12.5 Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
A. Considered Good : Secured		
Staff Loans and Advances	0.08	0.16
B. Considered Good : Unsecured		
(i) Loans to Related Parties:		
Subsidiaries		
- Ircon Vadodara Kim Expressway Limited	-	18.32
- Ircon Shivpuri Guna Tollway Limited	-	35.93
- Ircon PB Tollway Limited	30.88	38.96
(ii) Others:		
Staff Loans & Advances	0.69	0.67
Total	31.65	94.04

Loan or advances in the nature of Loans granted to related parties:

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans^
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	30.88	97.57%	93.21	99.12%
Total	30.88	97.57%	93.21	99.12%

12.6 Current Assets - Other Financial Assets

(₹ in crore)

Particulars	Foot Note	As at 31 st March, 2022	As at 31 st March 2021
Considered Good : Unsecured			
Security Deposits			
- Government Departments		50.00	12.63
- Others		182.48	132.20
Earnest Money Deposit		1.45	2.17
Fixed Deposits with Original Mat.of >12M but Rem. mat.of <12M		4.30	8.18
Interest Accrued on :			
- Advance to Staff	(i)	0.22	0.25
- Loans to Related Parties		10.06	9.35
- Advances to Rail Land Development Authority (RLDA)		109.77	160.72
Less: Interest Accrued on Loan from Indian Railway Finance Corporation	(iv)	<u>(103.81)</u>	<u>(156.56)</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	Foot Note	As at 31 st March, 2022		As at 31 st March 2021	
- Deposits with Banks			37.60		28.08
- Bonds			17.21		17.82
Contract Asset :					
- Billable Revenue / Receivable not due	(ii) (a) & (b)	250.19		180.34	
- Construction Work in Progress (At realisable value)	(ii) (b)	208.47		153.06	
- Retention Money with Client	(iii)	118.14		97.85	
- Money Withheld by Client	(iii)	<u>338.63</u>	915.43	<u>293.52</u>	724.77
Share Application Money pending Allotment :					
Indian Railway Stations Development Corporation Limited - 301 equity shares of ₹10 each (31 March 2020 : 301 Shares) (Refer note no. 8.1)			-		-
Other Recoverable :					
(a) From Related Parties (Joint Ventures)					
- International Metro Civil Contractor			3.45		3.70
- Metro Tunnelling Group			1.84		4.64
- Ircon Soma Tollway Pvt. Ltd.			-		0.02
- Indian Railway station Development corporation Limited			1.03		0.96
- IRCON - AFCON JV			0.63		0.68
- Chhattisgarh East Railway Limited			0.22		0.20
- Bastar Railway Private Limited			0.02		0.83
- Mahanadi Coal Railway Limited			1.32		1.83
- Jharkhand Central Railway Limited			0.10		-
- Express Frieght Consortium			1.10		0.51
(b) From Related Parties (Subsidiaries)					
- Ircon Shivpuri Guna Tollway Limited			0.03		0.17
- Ircon Infrastructure & Services Limited			3.07		2.06
- Ircon PB Tollway Limited			0.44		0.70
- Ircon Vadodara Kim Expressway Limited			0.31		0.05
- Davanagere Haveri Highway Limited			0.08		0.03
- Ircon Gurgaon Rewari Highway Limited			0.07		0.13
- Ircon Akloli-Shirsad Expressway Limited			0.05		-
- Ircon Bhoj Morbe Highway Limited			0.02		-
(c) Recoverable from Rail Land Development Authority (RLDA)		639.95		639.95	
Less : Loan From Indian Railway Finance Corporation Ltd	(iv)	<u>(615.31)</u>	24.64	<u>(615.31)</u>	24.64
(d) Claims Recoverable from Clients			22.63		20.64
(e) Advance Lease Rent			0.13		0.19
(f) Others			16.97		8.07

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	Foot Note	As at 31 st March,2022	As at 31 st March 2021
Considered Doubtful : Unsecured			
<u>Security Deposits</u>			
- Government Departments		0.12	0.12
- Others		0.17	0.17
Earnest Money Deposit		0.16	0.16
Contract Asset :			
- Retention Money with Client		4.28	6.00
- Money Withheld by Client		2.67	3.16
Recoverable from Ircon Soma Tollway Pvt. Ltd.		0.05	0.05
Recoverable from Rail Land Development Authority (RLDA)		5.81	5.81
Claim Recoverable from Client Doubtful		2.26	-
Less : Impairment allowance for doubtful other financial assets		(15.52)	(15.46)
Total		1,302.86	1,009.67

Foot Notes:-

- i) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are ₹Nil (31st March 2021 ₹Nil).

Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total	-	-

- ii) (a) Includes Value of work amounting to ₹188.44 crore (As at 31st March 2021 ₹20.19 crore) certified by client, but not billed by reporting date.
- (b) Includes Receivables from related parties ₹259.54 crore (As at 31st March 2021 : ₹66.30 crore) and are disclosed in Note: 33 (c) 4.2 (a)
- (iii) Includes Receivables from related parties ₹25.61 crore (As at 31st March 2021: ₹28.53 crore) and are disclosed in Note: 33 (c) 4.2 (b)
- (iv) Refer Note 21.1 and 18.1(d)

13 Current Assets - Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	56.26	9.08
Current tax Assets (Net)	56.26	9.08

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

14 Other Current Assets

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Considered Good : Unsecured			
Advances Other than Capital Advances			
Advances to Contractors against material and machinery		189.12	384.06
Advances to Contractors, Suppliers and Others		1,032.34	701.31
Advance Recoverable from:			
- Sales Tax (including TDS)		321.17	321.17
Less : Deposited under Protest		(217.05)	(217.05)
- Value Added Tax		79.41	87.75
- Goods & Services Tax		585.10	404.56
- Service Tax input credit		0.01	0.01
Security Deposits		41.31	28.72
Interest Accrued on:			
Deposits & Advances with Contractors, Suppliers & Others		36.48	78.10
Prepaid Expenses		9.32	7.05
Deferred CSR Expenditures		-	7.12
Fair valuation adjustment		-	0.01
Considered Doubtful : Unsecured			
Advances to Contractors, Suppliers and Others		16.99	16.99
Sales Tax (including TDS)		35.04	35.04
Others		-	-
Value Added Tax		9.89	7.18
Less: Impairment allowance for doubtful advances		(61.92)	(59.21)
Total		2,077.21	1,802.81

15 Assets held for Sale

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Assets held for disposal	0.27	0.45
Total - Assets held for Sale	0.27	0.45

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- (i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realizable value and book value):-

(₹ in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As At 31 March 2022		As At 31 March 2021	
					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 2023	-	Domestic : PMD Division	0.78	0.04	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 2023	-	Domestic	0.19	0.01	0.19	0.01
Malaysia Region	Locomotives - 2 No. (4 No.)	Open Tender	2.40	International	0.08	0.08	0.08	0.08
	Nil No. (2 No.) of Hopper wagons & Nil No. (2 No.) of Coaches	Open Tender	-	International	-	-	0.02	0.02
	Nil No. (1 No.) of Elect. Cahin Hoist System	Open Tender	-	International	-	-	0.01	0.01
Office Equipment's								
Malaysia Region	28 Items (NIL) of Office Equipments, 17 No. (NIL) of Air conditioners & 68 Items (NIL) of Electrical Appliances	Limited Tender	-	International	0.03	-	0.03	-
Furniture & fixtures								
Malaysia Region	79 Items of Furnitures	Limited Tender	-	International	0.01	-	0.01	-
Freehold Building - Residential								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.19	0.14	0.38	0.28
Total					1.28	0.27	1.50	0.45

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 ₹Nil (31st March 2021 : 0.003) has been provided for.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

16 Equity Share capital

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Authorised Share Capital		
200,00,00,000 Equity shares of ₹ 2 each (Refer Note 18(f)) (200,00,00,000 Equity shares of ₹ 2 each as at 31 st March 2021)	400.00	400.00
	400.00	400.00
Issued/Subscribed and Paid up Capital		
94,05,15,710 Equity shares of ₹ 2 each-fully paid (Refer Note 16 (f)) (47,02,57,870 Equity shares of ₹ 10 each-fully paid as at 31 st March 2021) (Refer Note 16 (g))	188.10	94.05
	188.10	94.05

(a) Details of Shareholders holding more than 5% of fully paid-up equity shares:

S. No.	Name of the shareholder	As at 31 st March 2022		As at 31 st March 2021	
		No. of Share	% holding in the class	No. of Share	% holding in the class
1	Government of India in the name of the President of India and Government nominees (Refer Note 'e')	688,301,650	73.18%	344,150,825	73.18%

(b) Details of shares held by promoter's

S. No.	Promoter Name	Shares held by Promoter as at 31 st March, 2022			Shares held by Promoter as at 31 st March, 2021		
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
1	Government of India in the name of the President of India and Government nominees	688,301,650	73.18%	-	34,41,50,825	73.18%	17.94%

(c) Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31 st March 2022	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2018	As at 31 st March 2017
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share
Equity shares allotted other than cash	-	-	-	-	-	-
Equity shares issued as bonus shares	47,02,57,870	-	-	-	-	7,91,84,000
Equity shares Buy Back	-	-	-	-	49,28,426	-
Total	47,02,57,870	-	-	-	49,28,426	7,91,84,000

In FY 2017-18, Department of Investment and Public Asset Management (DIPAM) had instructed the Company to

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 Rs. 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.

(d) Terms / Rights attached to Equity Shares :

(i) Voting

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity share is entitled to one vote per share.

(ii) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Dividend

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

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

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	470,257,870	94.05	94,051,574	94.05
Add: Bonus Shares Issued during the year	470,257,870	94.05	-	-
Add: Increase in the Number of Share on account of Shares Split (refer note no. (f))	-	-	376,206,296	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	940,515,740	188.10	470,257,870	94.05

(f) The shareholders of Company through postal Ballot on 22nd March, 2020 have approved:

(i) Split the face value of one equity share from Rs. 10/- each into five equity shares of Rs. 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.

(g) The Board of Directors of IRCON in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of Rs.2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Company is Rs.188,10,31,480 divided into 94,05,15,740 equity shares of Rs.2/- each.

17. Other Equity

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Retained Earnings	1,094.65	978.87
General Reserve	3,333.71	3,333.71
Capital Redemption Reserve	4.93	4.93
Other Comprehensive Income	(0.43)	(5.08)
Total	4,432.86	4,312.43

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

i) **Movement as per below:**

(a) **Retained Earnings**

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	978.87	732.61
Transfer from surplus in statement of profit and loss	544.32	404.56
Dividend declared and paid during the year	(159.89)	(96.87)
Interim Dividend	(174.00)	(61.13)
Re-measurement of defined benefit plans (net of tax)	(0.60)	(0.30)
Bonus Share Issue	(94.05)	
Closing Balance	1,094.65	978.87

(b) **General Reserve**

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening and Closing Balance	3,333.71	3,333.71

(c) **Capital Redemption Reserve**

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	4.93	4.93
Transfer for Buy Back of Equity Shares	-	-
Opening and Closing Balance	4.93	4.93

(d) **Other Comprehensive Income**

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	(5.08)	(4.17)
Foreign Currency Translation (net of tax) during the Year	4.65	(0.91)
Closing Balance	(0.43)	(5.08)
Grand Total (a+b+c+d)	4,432.86	4,312.43

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(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	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Cash dividends on equity shares declared / paid:		
Final Dividend of FY 2020-21 paid during 2021-22: INR 1.70 per share (Paid during FY 2020-21: INR 1.03 per share)	159.89	96.87
Interim dividend paid during 2021-22: INR 1.85 per share (FY 2020-21: INR 0.65 per share) Re-estimated based on Bonus Issue Ref. 16 (g)	174.00	61.13
Total	333.89	158.00

iv) Dividends not recognised at the end of the reporting year

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting :		
Dividend for 31 March 2022: INR 0.65 per share (31 March 2021: INR 1.70 per share) Re-estimated based on Bonus Issue Ref. Note 16 (f) and 16 (g)	61.13	159.89
Total	61.13	159.89

18 Non-Current Liabilities - Financial Liabilities

18.1 Non-Current Financial Liabilities - Borrowings

(₹ in crore)

Particulars	As at 31 st March,2022		As at 31 st March 2021	
Unsecured:				
Loan From Indian Railway Finance Corporation {Refer Note below}	615.31		1,230.61	
Less: Recoverable from Rail Land Development Authority (RLDA) {Refer Note 8.3}	(615.31)	-	(1,230.61)	-
Total		-		-

Notes:

(a) Terms and Conditions of the unsecured Loan:

The Company has raised a loan from Indian Railway Finance Corporation ("IRFC") of ₹3200 crore as on 28th March 2018 which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU" entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company. The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019. [Refer note 8.3 (Foot note (ii)). Companies Act has been complied with for such transactions and the transactions are not violative of any applicable Act.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(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.

(d) Offsetting the Loan from IRFC and Recoverable from RLDA:

As per para 2.4 of the Memorandum of understanding (“MOU”) entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company. Company has a legally enforceable right to set off the loan liability regarding IRFC and recoverable from RLDA as per MOU and have the financial arrangement to settle the loan from IRFC with the proceeds realised from RLDA simultaneously. Accordingly, as per provision of IND AS-32 amount recoverable from RLDA and loan from IRFC has been offset and the net amount presented in the balance sheet.

- (e) The Company has not defaulted on any loans payable

18.2 Non-Current Financial Liabilities - Lease Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Lease Liability	0.15	0.15
Total	0.15	0.15

18.3 Non-Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
(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 43.
- b) Terms and Conditions and other balances with related parties are disclosed in Note 33.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

18.4 Non-Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Deposits and Retention money	505.51	261.59
Financial Guarantee Contract	0.17	4.44
Amount Payable to Client	-	0.23
Total	505.68	266.26

19 Provisions

(₹ in crore)

Particulars	Foot Note	31 March 2022	31 March 2021
Provision for Employee Benefits	19.1	105.70	94.66
Other Provisions	19.2	185.04	186.63
Total		290.74	281.29
Current		211.04	202.18
Non Current		79.70	79.11

19.1 Provision for Employee Benefits :

- The provisions are created for the purpose of leave encashment, settlement allowance, post retirement medical benefits, performance related pay and leave travel concession.
- Disclosures as per Ind AS 19 'Employee benefits' are provided in Note.
- Movement in the carrying value of Provisions for Employee Benefits are provided as below:

(₹ in crore)

Particulars	*Leave Salary	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Performance Related Pay	Leave Travel Concession	Contribution to PF & Other Funds	Total
As at 31-March-2021	69.74	1.27	4.72	18.82	0.11	-	94.66
Current	8.31	0.16	4.72	18.82	0.02	-	32.03
Non Current	61.43	1.11	-	-	0.09	-	62.63
Provision made during the year	9.90	0.15	4.64	18.86	-	5.28	38.83
Less: Utilization during the year	(10.06)	(0.10)	(4.72)	(10.14)	-	(2.78)	(27.80)
Less: Write Back during the year	(0.03)	-	-	-	-	-	(0.03)
Actuarial Gain/Loss (Exchange Gain) / Loss	-	(0.13)	-	-	-	-	(0.13)
	0.17	-	-	-	-	-	0.17
As at 31-March-2022	69.72	1.19	4.64	27.54	0.11	2.50	105.70
Current	9.22	0.16	4.64	27.54	0.01	2.50	44.07
Non Current	60.50	1.03	-	-	0.10	-	61.63

* Includes ₹0.61 crore for employees posted on Foreign Projects on which Leave Salary Provision has been made on actual basis.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

19.2 Other Provisions:

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows:

a) Demobilisation Provisions

The Company has made provision for demobilisation to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment in respect of foreign projects.

b) Maintenance Provisions

In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover company's liability during defect liability period keeping into consideration the contractual obligations, obligations of the sub-contractor, operating turnover and other relevant factors.

c) Legal Cases

Provision for legal cases represents liabilities that are expected to materialise in respect of matters in courts, arbitrations and appeal.

d) Provisions for Other Expenses

Provision for other expenses represents expected liabilities in respect of indirect taxes and others.

(₹ in crore)

Particulars	Demobilisation	Maintenance	Legal Cases	Other Expenses	Total
As at 31-March-2021	13.54	40.58	58.09	74.42	186.63
Current	12.46	25.18	58.09	74.42	170.15
Non Current	1.08	15.40	-	-	16.48
Provision made during the year	0.07	5.34	3.74	17.11	26.26
Less: Utilization during the year	(0.02)	(1.26)	-	(12.12)	(13.40)
Less: Write Back during the year	(0.89)	(12.11)	(2.44)	(0.99)	(16.43)
(Exchange Gain) / Loss	0.31	0.25	-	0.97	1.53
Unwinding of discount	0.02	0.43	-	-	0.45
As at 31-March-2022	13.03	33.23	59.39	79.39	185.04
Current	11.91	16.28	59.39	79.39	166.97
Non Current	1.12	16.95	-	-	18.07

20 Other Non- Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Contract Liability		
Advance from clients	52.56	333.50
b) Others		
Others	1.10	-
Total	53.66	333.50

Notes:

Terms and Conditions and other balances with related parties are disclosed in Note 33.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

21 Current Liabilities - Financial Liabilities

21.1 Borrowings

(₹ in crore)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
Unsecured				
Current Maturities of Long-Term Debt :				
Loan From Indian Railway Finance Corporation	615.31		615.31	
Less : Recoverable from Rail Land Development Authority (RLDA) (i)	(615.31)	-	(615.31)	-
Total		-		-

(i) Refer Note 12.6 (c) and 18.1 (d)

21.2 Current Financial Liabilities - Lease Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Lease Liability	0.01	0.01
Total	0.01	0.01

Notes:

21.3 Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
(A) Micro, Small & Medium Enterprises	3.21	6.11
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	1,006.93	731.56
(ii) Related Parties	0.19	0.23
Total	1,010.33	737.90

Notes:

- Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 43.
- Terms and Conditions and other balances with related parties are disclosed in Note 33.

Trade payables Ageing Schedule for the year ended as at 31st March 2022 and 31st March 2021.

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended as at 31 st March, 2022 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	2.92	0.24	0.06	-	-	-	3.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	753.52	29.89	201.53	3.22	1.09	15.50	1,004.77
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	0.02	-	0.04	0.14	0.21	1.94	2.36
Total	756.46	30.13	201.62	3.36	1.31	17.45	1,010.33

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended as at 31 st March, 2021 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	0.16	5.95	-	-	-	6.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	465.17	32.31	208.41	5.88	8.04	9.74	729.55
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	0.02	-	0.04	0.31	0.04	1.83	2.24
Total	465.19	32.46	214.40	6.19	8.08	11.57	737.90

21.4 Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Interest Accrued on Loan from Indian Railway Finance Corporation	103.81	156.56
Less : Advances to Rail Land Development Authority (RLDA) (i)	(103.81)	(156.56)
Gratuity Payable	4.69	4.72
Deposits, Retention money and Money Withheld	1,167.67	1,101.65
Financial Guarantee Contract	0.15	0.44
Amount Payable to Client	916.14	793.55
Dividend Payable to Client	1.12	-
Interest Payable on Advance from Client	330.83	278.22
Other Payables (including Staff Payable)	166.67	205.30
Total	2,587.27	2,383.89

(i) Refer Note 12.6 (c) and 18.1 (d)

22 Other Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
a) Contract Liability		
Advance from clients	3,430.27	1,943.75
- Less: Deposits under protest	(217.05)	(217.05)
Advance contract receipts	167.40	243.38
b) Others		
Statutory dues	264.53	202.95
Total	3,645.15	2,173.03

Notes:

a) 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 2022

23 Current Tax Liability (Net)

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Provision for tax (Net of Advance Tax)	13.53	81.98
Total	13.53	81.98

24 Revenue from Operations

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Contract Revenue	6,873.42	4,931.44
Company's share of turnover in Integrated Joint operations (unincorporated)	0.62	0.51
Machinery Hire Charges	13.54	3.75
Other Operating Revenue	22.57	20.23
Total	6,910.15	4,955.93

25 Other Income

(₹ in crore)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
Interest Income :				
Interest on Tax Free Bonds		21.96		22.04
Interest on Staff Advances		0.06		0.11
Interest on Loan to Related Parties *		54.13		79.74
Interest on Other Advances/Claims	64.62		72.39	
Less:- Other Interest Passed to Clients	(26.28)	38.34	(21.89)	50.50
Interest Income on Unwinding of Financial Instruments ¹		15.45		-
Bank Interest Gross	122.32		109.50	
Less:- Bank Interest Passed to Clients	(43.62)	78.70	(55.15)	54.35
Amortisation of Financial Instruments		0.82		0.11
Others :				
Profit on Sale of Assets		1.07		3.83
Profit on Sale of Mutual Funds	2.18		2.36	
Less:-Profit on Sale of Mutual Fund Passed to Clients	(1.03)	1.15	(0.35)	2.01
Miscellaneous Income ²	18.17		15.96	
Less:-Insurance Claim Passed on	-	18.17	(1.27)	14.69
Dividend from JVs		41.00		17.00
Total		270.85		244.38

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- 1 Includes ₹15.44 Crore on account of fair value of loan of Ircon PB Tollway limited
- 2 Includes Co. Shares of other Income of JCE ₹0.15 Cr (31.03.2021 ₹0.43 Cr.)

* **Interest on Loan to Related Parties:**

Particulars of Related Parties	2021-22	2020-21
- Chhattisgarh East-West Railway Limited	0.79	1.80
- Ircon Shivpuri Guna Tollway Limited	37.72	41.51
- Ircon Davanagere Haveri Highway Limited	2.09	18.70
- Ircon Vadodara Kim Expressway Limited	13.53	17.73
	54.13	79.74

26 (i) Materials and Stores consumed

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Opening Balance		67.10		57.28	
Add: Purchases during the year	(i)	497.80		376.45	
		564.90		433.73	
Less: Closing Balance		(52.77)	512.13	(67.10)	366.63
Total			512.13		366.63

(i) Includes Exchange gain/ (loss) of Ind AS for ₹(0.15) crore (31st March 2021 : ₹(0.38) crore).

26 (ii) (Increase) / Decrease in WIP

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Opening Balance		50.04		263.38	
Add: Adjustments during the year for Exchange gain/ (loss)		0.88		(1.57)	
		50.92		261.81	
Less: Closing Balance		(216.18)	(165.26)	(50.04)	211.77
Total			(165.26)		211.77

26 (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses			
		For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Work Expenses		5,733.07	3,637.25		-		-
Design, Drawing, Business Development & Consultancy Charges		7.04	5.77		-		-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		28.93	21.10		-		-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Repairs and Maintenance of Machinery		9.47	7.09	-	-
Hire Charges of Machinery		14.39	8.49	-	-
Exchange Fluctuation Loss		-	-	54.52	12.13
Less:- Exchange Fluctuation Gain		-	-	(40.43)	(4.29)
Net Exchange Fluctuation Loss		-	-	14.09	7.84
Rent - Non-residential		4.30	4.22	0.30	0.76
Rates and Taxes		20.71	25.13	0.62	1.61
Vehicle Operation and Maintenance		11.91	8.72	1.15	1.49
Repairs and Maintenance					
- Building		0.20	0.18	0.27	0.73
- Office and Others		3.89	2.52	5.52	4.65
Power, Electricity and Water charges		4.65	3.75	1.74	1.48
Insurance		5.69	5.19	0.60	0.41
Travelling & Conveyance		7.86	2.91	1.26	0.66
Printing & Stationery		1.07	0.79	0.61	0.50
Postage, Telephone & Telex		1.07	1.12	0.30	0.36
Legal & Professional charges		14.77	14.76	8.90	6.19
Security Services		1.53	1.60	0.70	0.77
Listing Expenses		-	-	0.20	0.14
Business promotion		0.15	0.08	0.52	0.27
Write-off of :					
- Debts		0.43	-	-	-
- Advances		1.70	0.06	-	-
- Other Assets		-	0.47	-	-
Loss on sale of Assets / Stores		-	-	0.07	0.08
Director sitting fee		-	-	0.08	0.10
Donation		-	-	0.02	-
Auditors Remuneration	(iii)	-	-	0.67	0.60
Advertisement & Publicity		-	-	1.94	2.36
Training & Recruitment		-	-	0.39	0.07
Corporate Social Responsibility (Refer Note 44)		-	-	10.52	10.27

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Foot Note	Project Expenses				Other Expenses			
		For the year ended 31 st March 2022		For the year ended 31 st March 2021		For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Miscellaneous expenses			3.34		2.92		1.40		1.37
Proportionate share of expenses in Integrated Joint operations (unincorporated)			0.26		0.03				
Provisions (Addition - Write Back) (Refer Note 19) & Foot Note (i)			24.82		0.98		-		-
Provisions Utilised (Refer Note 19) & Foot note (ii)			(15.53)		(18.85)		-		-
Total			5,885.72		3,736.28		51.88		42.71

Foot Note:-

- (i) Includes ₹14.99 Cr. (F.Y. 2020-21:- ₹10.03 Cr.) Provisions Addition-Write back against Doubtful Advance & Debts
- (ii) Includes ₹2.13 Cr. (F.Y. 2020-21 ₹0.23 Cr.) against Doubtful Advance & Debts
- (iii) **Payment to Statutory Auditors:**

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
(a) Audit Fee - current year	0.31	0.30
(b) SAP Data Migration Audit Fee- Current Year	0.05	-
(c) Tax Audit Fees - current year	0.09	0.09
(d) Fee for Quarterly Limited Review	0.18	0.17
(e) Certification Fees	0.02	0.03
(f) Travelling & out of pocket expenses:		
- Travelling Expenses	0.01	0.01
- Out of Pocket Expenses	0.01	0.01
Total	0.67	0.61

27 Employee Remuneration and Benefits

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	145.14	54.81	199.95	137.99	51.24	189.23
Contribution to Provident and Other Funds		9.17	9.00	18.17	8.10	5.04	13.14
Foreign Service Contribution		0.87	0.74	1.61	0.82	0.79	1.61
Retirement Benefits		17.28	9.38	26.66	17.15	6.83	23.98
Staff Welfare		1.96	0.24	2.20	1.14	0.23	1.37
Total		174.42	74.17	248.59	165.20	64.13	229.33

Foot Notes:-

- (i) Includes income-tax on non-monetary perks ₹0.47 crore (31st March 2021 : ₹0.50 crore).

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

28 Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Interest Expense	(i)	110.46		170.34	
Less: Interest on Advance to Rail Land Development Authority (RLDA)		(110.02)	0.44	(164.81)	5.53
Other Borrowing Cost					
- Bank Guarantee & Other Charges			9.49		7.97
Interest Cost on Lease Liability			0.01		0.01
Unwinding of Discount on Provisions			0.45		1.22
Total			10.39		14.73

Foot Notes:-

(i) Includes interest on income-tax ₹0.01 crore (31st March 2021 : ₹1.21 Crore).

29 Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Depreciation of Property, Plant and equipment	16.55	17.37
Depreciation of Right to Use - Lease Assets	0.37	0.37
Amortization of Intangible Assets	0.23	0.17
Depreciation of Investment Property	10.34	6.93
Total	27.49	24.84

30 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Remeasurement Gain/(Loss) on Defined Benefit Plans	(0.80)	(0.40)
Income Tax relating to Items that will not be reclassified to profit or loss	0.20	0.10
Total	(0.60)	(0.30)

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Foreign Exchange Translation Differences	6.21	(1.21)
Income Tax relating to Items that will be reclassified to profit or loss	(1.56)	0.30
Total	4.65	(0.91)
Grand Total	4.05	(1.21)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Note:- 31

A. Fair Value Measurements

(i) Category wise classification of Financial Instruments

Financial assets and financial liabilities are measured at fair value in these financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2022 are as follows:

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
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	275.18	-	-	275.18
(ii) Loans	315.12	-	-	315.12
(iii) Other Financial Assets	1,320.76	-	-	1,320.76
Total	1,911.06	-	-	1,911.06

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	-	-	-	-
(ii) Lease Liability	0.16	-	-	0.16
(iii) Other Financial Liabilities	3,092.95	-	-	3,092.95
Total	3,093.11	-	-	3,093.11

b) The carrying values and fair values of financial instruments by categories as at 31 March, 2021 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	291.46	-	-	291.46
(ii) Loans	1,479.22	-	-	1,479.22
(iii) Other Financial Assets	1,083.70	-	-	1,083.70
Total	2,854.38	-	-	2,854.38

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	-	-	-	-
(ii) Lease Liability	0.16			0.16
(iii) Other Financial Liabilities	2,650.15	-	-	2,650.15
Total	2,650.31	-	-	2,650.31

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 2021-22 and 2020-21, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

B. Financial Risk Management

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

a) Market Risk

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

(i) Foreign Currency Risk

The Company operates internationally and is exposed to insignificant foreign currency risk (since receipts & payments in foreign currency are generally matched) arising from foreign currency transactions, primarily with respect to the USD, EURO, BDT, DZD, LKR, JPY and ZAR. Significant foreign currency risk of group are naturally hedged. As of March 31, 2022 and March 31, 2021, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹16.98 crore and ₹16.88 crore respectively.

The Company's significant exposure to foreign currency risk at the end of reporting period are as follows:

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

As at 31 March 2022

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	JPY	ZAR	Total
Assets									
Trade Receivables	29.99	103.50	57.62			1.88	11.74		204.73
Cash & Bank Balances	10.71	93.16	26.51	3.28	21.90	2.34		0.06	157.96
Advance to Contractors	2.46		0.16	4.63					7.25
Other Assets	0.06		38.38		23.61	21.21		12.31	95.57
Total	43.22	196.66	122.67	7.91	45.51	25.43	11.74	12.37	465.51
Liabilities									
Trade Payables	6.98	48.53	6.55	7.64	16.58	0.13		0.74	87.15
Advance from Client	28.75					0.90			29.65
Other Liabilities	3.06	4.35			0.28	1.35			9.04
Total	38.78	52.88	6.55	7.64	16.86	2.38	-	0.74	125.84

As at 31 March 2021

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	JPY	ZAR	Total
Assets									
Trade Receivables	36.47	0.07	47.27	-	-	1.23		-	85.04
Cash & Bank Balances	22.01	48.11	14.37	5.71	4.20	4.48		0.07	98.95
Advance to Contractors	3.30	0.39	-	5.84	-	-		-	9.53
Other Assets	155.86	-	143.33	70.38	3.51	20.46		18.37	411.91
Total	217.64	48.57	204.97	81.93	7.71	26.17	-	18.44	605.43
Liabilities									
Trade Payables	2.08	0.22	23.22	3.78	9.35	0.06		-	38.71
Advance from Client	31.21	7.48	-	-	-	0.57		-	39.26
Other Liabilities	12.55	-	110.39	24.13	8.78	0.93		33.04	189.82
Total	45.84	7.70	133.61	27.91	18.13	1.56	-	33.04	267.79

(ii) Interest Rate Risk

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

b) Credit Risk

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

The Company is exposed to credit risk for guarantees given. The Company's maximum exposure in this respect is the maximum amount the Company may have to pay if the guarantee is called on (see Note 37). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Trade and other receivable

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

Exposure to Credit Risk

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Non Current Investments	1,714.19	1,489.27
Non Current Loans	283.47	1,385.18
Other Non Current Financial Assets	15.29	15.54
Current Investments	50.00	16.31
Cash and Cash Equivalents	1,206.38	322.27
Other Bank Balances	4,133.59	2,928.19
Current Loans	31.65	94.04
Other Current Financial Assets	393.74	291.21
Financial Assets for which allowance is measured using Simplified Approach		
Trade Receivables	739.73	525.12
Contract Assets	924.99	792.42

Summary of change in loss allowances measured using Simplified approach

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Opening Allowances	29.63	38.86
Provided during the year	17.57	-
Utilization during the year	(0.43)	-
Amount written-off	(9.25)	(9.23)
Closing Allowances	37.52	29.63

During the year, the Company has recognised loss allowance of ₹17.57 Cr. (31 March, 2021: ₹Nil).

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

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Opening Allowances	6.31	6.40
Provided during the year	2.26	-
Utilization during the year	-	-
Amount written-off	-	0.09
(Exchange Gain) / Loss	-	-
Closing Allowances	8.57	6.31

No significant changes in estimation techniques or assumptions were made during the reporting period.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

During the year, the Company has recognised loss allowance of ₹2.26 (31 March, 2021 : ₹Nil).

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 2021 and 31 March 2022

(₹ in crore)

Particulars	As on 31 March, 2022		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	-	-
Trade payables	1,010.33	-	-
Lease Liability	0.01	0.15	-
Other financial liabilities	2,587.27	505.68	-

(₹ in crore)

Particulars	As on 31 March, 2021		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	-	-
Trade payables	737.89	-	-
Lease Liability	0.01	0.15	-
Other financial liabilities	2,383.89	266.26	-

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 st March 2022	31 st March 2021
Revenue from top 5 Projects	4291.71	2,785.48
	4291.71	2,785.48

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 st March 2022	31 st March 2021
Dividend Paid	333.89	158.00
Total	333.89	158.00

The BoD has recommended a final Dividend of ₹0.65 per equity share on face value of ₹2/- per equity share for the financial year 2021-22, subject to the approval of the shareholders at the AGM. This is in addition to Interim Dividend paid @ ₹1.85 per Share on face value of ₹2/- per equity share.

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

32 Employee Benefits

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

(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 **₹8.93 crore** (₹9.02 crore) for the period from April 01, 2021 to March 31, 2022 has been paid and accounted for during the period 2021-22.

(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 **₹13.43 crore** (₹13.14 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, 2022 a liability of **₹4.68 crore** (₹4.72 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 ₹4.64 crore (₹4.72 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/she or his/her family intends to settle in India including Baggage Allowance. The liability on this account is recognized on the basis of actuarial valuation.

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on March 31, 2022 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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Defined benefit obligation at the beginning of the period	409.24	380.23	80.12	85.71	128.73	110.96	1.28	1.28
Current service cost	43.44	43.56	3.44	3.96	3.51	3.98	0.06	0.07
Past service cost	-	-	-	-	-	-	-	-
Interest cost	33.96	31.97	5.24	5.93	8.41	7.68	0.08	0.09
Benefits paid	(60.08)	(46.92)	(8.58)	(15.90)	(5.30)	(3.05)	(0.10)	(0.03)
Actuarial (loss) / gain on obligations	0.54	0.40	1.15	0.42	(4.12)	9.16	(0.13)	(0.13)
Defined benefit obligation at the end of the period	427.10	409.24	81.37	80.12	131.23	128.73	1.20	1.27

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Fair value of plan assets at the beginning of the period	409.82	380.48	75.39	82.39	104.47	91.07	-	-
Contribution by employer & employee	43.44	43.56	4.72	3.32	4.72	10.45	-	-
Benefits paid	(60.08)	(46.92)	(8.58)	(15.90)	(5.30)	(3.05)	-	-
Interest income	31.39	33.51	5.45	5.94	6.40	6.00	-	-
Return on plan asset excluding interest income	-	-	-	-	-	-	-	-
LIC mortality charges	-	-	(0.31)	(0.35)	-	-	-	-
Fair value of plan assets at the end of the period	424.56	410.63	76.68	75.39	110.29	104.47	-	-

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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Fair value of plan assets	424.56	410.63	76.68	75.39	110.29	104.47	-	-
Defined benefit obligation	427.10	409.24	81.37	80.12	131.23	128.73	1.20	1.27
Amount recognised in the Balance Sheet	(2.54)	1.39	(4.69)	(4.73)	(20.94)	(24.26)	(1.20)	(1.27)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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		For the year ended 31 st March		For the year ended 31 st March		For the year ended 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Current service cost	12.42	13.12	3.44	3.96	3.52	3.98	0.06	0.07
Past service cost	-	-	-	-	-	-	-	-
Net interest expense	-	-	0.31	0.23	1.38	1.59	0.08	0.09
Amount recognised in statement of Profit and Loss	12.42	13.12	3.75	4.19	4.90	5.57	0.15	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		For the year ended 31 st March		For the year ended 31 st March		For the year ended 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Actuarial changes arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumptions	0.06	(0.02)	2.69	(1.83)	5.01	(4.11)	(0.05)	(0.04)
Experience adjustments	(0.98)	(0.38)	(3.85)	1.42	3.62	(5.05)	(0.09)	0.18
Return on Plan Assets excluding Interest Income	(2.58)	1.54	0.22	(0.12)	(0.44)	(0.29)	-	-
Amount recognised in Other Comprehensive Income	(3.50)	1.14	(0.94)	(0.53)	8.19	(9.45)	0.13	0.13

** The unrecognized actuarial gain/loss (OCI) of ₹8.19 crore ((₹9.45 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 2022

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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Government of India securities	59.67%	59.67%	-	-	9.52%	9.52%	-	-
State Government securities	-	-	-	-	30.86%	30.86%	-	-
Central & State Guaranteed Bonds	-	-	-	-	18.73%	18.73%	-	-
High quality corporate bonds	38.04%	38.04%	-	-	23.40%	23.40%	-	-
PSU Bond	-	-	-	-	7.35%	7.35%	-	-
PSU Basel III Tier I Bonds	-	-	-	-	8.25%	8.25%	-	-
Debt Mutual Fund	0.77%	0.77%	-	-	-	-	-	-
ETF/INDEX/Equity Mutual Fund	1.52%	1.52%	-	-	1.89%	1.89%	-	-
Fund Managed by Insurer	-	-	100.00%	100.00%	-	-	-	-
Total	100%	100%	100%	100%	100%	100%	0%	0%

vii) The principal assumptions used in determining PF/ gratuity/PRMB/Retirement Allowance liability for the Company's plans are shown below:

(₹ in crore)

Particulars	Provident Fund For the year ended 31 st March		Gratuity For the year ended 31 st March		Post retirement medical benefit plan For the year ended 31 st March		Other retirement benefit For the year ended 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%
Future Salary Increase	8.10%	8.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Mortality rate	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

viii) Quantitative sensitivity analysis for significant assumption shown above as at 31 March is as shown below:

(₹ in crore)

Gratuity Plan	PF Plan (Impact on DBO)		Gratuity Plan (Impact on DBO)		PRMB (Impact on DBO)		Retirement Allowance (Impact on DBO)	
	As at 31 st March		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Present value of obligation at the end of period	427.10	409.24	81.37	80.11	131.23	128.73	1.20	1.28
Discount rate	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%
Increase by 0.50%	(0.03)	(0.03)	(2.20)	(2.40)	(4.93)	(4.19)	(0.05)	(0.05)
Decrease by 0.50%	0.03	0.03	2.36	2.56	5.04	4.51	0.05	0.05
Future salary increases	8.10%	8.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Increase by 0.50%	-	-	0.94	1.10	-	-	0.05	0.05
Decrease by 0.50%	-	-	(0.97)	(1.13)	-	-	(0.05)	(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 ₹26.17 Crore.

x) **Maturity profile of defined benefit obligation is as under**

(₹ in crore)

Duration of defined benefit obligation duration (years)	Provident Fund	Gratuity	Post retirement medical benefit plan	Retirement Allowance
1	111.08	19.19	4.45	0.16
2	127.35	9.57	14.89	0.02
3		8.57	7.37	0.14
4		8.17	6.57	0.13
5		4.62	3.85	0.13
6	189.12	4.51	3.59	0.07
6 year onward		26.75	90.51	0.55
Total	427.55	81.37	126.78	1.19

Risk analysis

Company is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

a) **Interest risk**

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

A decrease in the interest rate on plan assets will increase the plan liability.

b) Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

c) Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

33 Related Party Transactions

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

a) List of Related Parties

(i) Subsidiary Companies

Ircon Infrastructure and Services Limited

Ircon PB Tollway Limited

Ircon Shivpuri Guna Tollway Limited

Ircon Davanagere Haveri Highway Limited

Ircon Vadodara Kim Expressway Limited

Ircon Gurgaon Rewari Highway Limited

Ircon Akloli-Shirsad Expressway Limited, incorporated on 23rd December, 2021

Ircon Ludhiana Rupnagar Highway Limited, incorporated on 24th December, 2021

Ircon Bhoj Morbe Expressway Limited, incorporated on 6th January, 2022

Ircon Haridwar Bypass Limited, incorporated on 13th January, 2022

Ircon Renewable Power Limited, incorporated on 13th January, 2022

(ii) Joint Venture Companies

Ircon-Soma Tollway Private Limited

Chhattisgarh East Railway Limited

Chhattisgarh East-West Railway Limited

Mahanadi Coal Railway Limited

Jharkhand Central Railway Limited

Bastar Railway Private Limited

Indian Railway Stations Development Corporation Limited

(iii) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation

Express Freight Consortium

Express Freight Railway

Consortium

Completed Joint Operations

International Metro

Civil Contractor

Metro Tunnelling Group

IRCON-AFCONS

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 2022

(iv) Key Management Personnel (KMP)

Whole Time Directors

Name	Designation
Shri Yogesh Kumar Misra ¹	CMD & Chief Executing Officer (CEO)
Shri Mohit Sinha ²	Director (Finance)
Shri S.L Gupta	Director (Projects)

1. Shri S.K. Chaudhary was the CMD & CEO of the Company during FY 2021-22 upto 30.04.2021. Shri M.K. Singh was holding additional charge of the post of CMD w.e.f. 01.05.2021 & CEO w.e.f. 11.06.2021. He relinquished the additional charge of the post of CMD & CEO on 04.09.2021 on appointment of Shri Yogesh Kumar Misra as CMD & CEO of the Company w.e.f. 04.09.2021. Shri Yogesh Kumar Misra is also holding the additional charge of the post of Director (Works) w.e.f. 04.09.2021.
2. Shri M.K. Singh was the Director (Finance) of the Company upto 30.09.2021. Shri Mohit Sinha (Additional Member (Revenue), Railway Board) was holding the additional charge of the post of the Director (Finance) w.e.f. 03.12.2021. Shri Mohit Sinha relinquished the additional charge of the post of Director (Finance) w.e.f. 19.04.2022 (AN) on appointment of Ms. Ragini Advani as Director (Finance).

Company Secretary and Chief Financial Officer

Name	Designation
Ms. Ritu Arora	Company Secretary
Shri Surajit Dutta ¹	Chief Financial Officer (CFO)

1. Shri M.K. Singh ceased to be a CFO of the Company on 11.06.2021 and Shri Surajit Dutta (Former ED/Finance) was appointed as CFO of the Company w.e.f. 11.06.2021. He ceased to be a CFO of the Company (on account of superannuation) w.e.f. 31.03.2021 and Shri Mugunthan Boju Gowda (ED/Finance) has been appointed as CFO of the Company w.e.f. 26.04.2022.

Other Directors

Government Nominee Part-Time (Official) Directors and Independent Part-time (Non-Official) Director

Name	Designation
Shri Dhananjaya Singh	Government Nominee Part-Time (Official) Director
Shri Rajesh Argal	Government Nominee Part-Time (Official) Director (w.e.f. 13.05.2021)
Shri Ajay Kumar Chauhan	Independent Part-time (Non-Official) Director w.e.f. 11.11.2021
Shri Dipendra Kumar Gupta	Independent Part-time (Non-Official) Director w.e.f. 16.11.2021
Smt. Ranjana Upadhyay	Independent Part-time (Non-Official) Director w.e.f. 16.11.2021
Dr. Kartik Chandulal Bhadra	Independent Part-time (Non-Official) Director w.e.f. 31.12.2021

(v) Post Employment Benefit Plans

Ircon Gratuity Trust

Ircon Employees Contributory PF Trust

Ircon Medical Trust

Ircon Defined Contribution Superannuation Pension Scheme, 2009 Trust

(vi) Government Related Entities:

The Company is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways. The Company is controlled by Government of India (GOI), by holding 73.18 % of equity shares in the name of President of India as at

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

31st March, 2022. Pursuant to Para 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements.

The Company has significant transaction with the following government related entities:

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

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

(₹ in crore)

S. No.	Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1	Short term employment benefits (i)	2.93	3.00
2	Other long-term employment benefits	0.66	0.30
3	Sitting fees	0.08	0.10
	Total	3.67	3.40

Note: (i) Figures of FY 2021-22 include PRP of ₹0.30 crore paid during the year for previous years on provisional basis (For FY 2020-21 include PRP of ₹0.73 crore paid during the year for FY 2019-20 on provisional basis).

(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.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1	Sale of goods and services				
1.1	Contract Revenue	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.28	2.63
		Ircon PB Tollway Limited	Subsidiary Companies	7.86	11.85
		Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	19.88	-
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	21.74	132.33
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	402.60	514.87
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	18.21	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	199.36	215.68
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	298.94	23.73
		Mahanadi Coal Railway Limited	Joint Venture Companies	40.00	40.28
		Jharkhand Central Railway Limited	Joint Venture Companies	9.66	4.06
		Bastar Railway Private Limited	Joint Venture Companies	-	1.75

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1.2	Rent Income	Ministry of Railways	Government Related Entities	4,539.71	2,766.46
		Ircon Infrastructure and Services Limited	Subsidiary Companies	0.68	0.18
		Ircon PB Tollway Limited	Subsidiary Companies	0.03	0.02
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.02	0.02
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.03	0.02
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.03	0.02
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	0.04	0.01
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.04	0.03
		Rail Land Development Authority	Government Related Entities	0.08	0.04
2	Purchase of goods and services	Ircon Infrastructure and Services Limited	Subsidiary Companies	2.61	3.21
3	Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)	Ircon Infrastructure and Services Limited	Subsidiary Companies	3.33	3.42
		Ircon PB Tollway Limited	Subsidiary Companies	0.87	0.81
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.96	0.63
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.22	0.18
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.81	0.72
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	0.09	0.12
		Ircon Akloli-Shirsad Expressway Limited	Subsidiary Companies	0.06	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	0.01	-
		Ircon Renewable Power Limited	Subsidiary Companies	1.11	-
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.11	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.93	0.67
		Mahanadi Coal Railway Limited	Joint Venture Companies	0.51	0.43
		Jharkhand Central Railway Limited	Joint Venture Companies	0.10	-
		Bastar Railway Private Limited	Joint Venture Companies	-	0.27
		Indian Railway stations Development Corporation Limited	Joint Venture Companies	0.23	0.22
4	Interest Income				
4.1	Interest Income on loans	Ircon PB Tollway Limited	Subsidiary Companies	15.44	-
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	37.72	41.51
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	2.09	18.70
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	13.53	17.73

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
4.2	Interest Income on Advances	Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.79	1.81
4.3	Interest Income on Bonds	Rail Land Development Authority	Government Related Entities	110.02	165.32
4.4	Dividend Income	Indian Railway Finance Corporation	Government Related Entities	15.14	17.11
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	41.00	17.00
5	Dividend / Profit on sale of investment				
5.1	Dividend distribution	Ministry of Railways	Government Related Entities	244.34	140.89
5.2	Profit on Sale of Investment Passed on	Ministry of Railways	Government Related Entities	1.03	0.21
6	Interest Expense				
6.1	Interest Expense on Advance	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	0.61
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.41	3.42
6.2	Interest Expense Passed on	Ministry of Railways	Government Related Entities	67.38	73.01
		Mahanadi Coal Railway Limited	Joint Venture Companies	0.03	0.06
6.3	Interest Expense on Loan	Indian Railway Finance Corporation	Government Related Entities	110.02	164.81
7	Investment in Equity Shares				
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	3.95	-
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	-	0.05
		Ircon Akloli-Shirsad Expressway Limited	Subsidiary Companies	0.05	-
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.05	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	0.05	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	0.05	-
		Ircon Renewable Power Limited	Subsidiary Companies	3.80	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	55.28	20.00
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	26.00	-
		Mahanadi Coal Railway Limited	Joint Venture Companies	25.99	-
		Indian Railway stations Development Corporation Limited	Joint Venture Companies	-	12.00
8	Interest free Loan / Deemed Equity				
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	43.41	-
		Ircon PB Tollway Limited	Subsidiary Companies	65.79	-
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	13.86	-
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	18.35	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
		Ircon Renewable Power Limited	Subsidiary Companies	1.40	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	15.60	-
8.1	Financial Guarantee Contract	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.24	-
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.19	-
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.83	5.00
9	Loans granted	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	12.30	83.96
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	34.48	408.50
10	Recovery of Loans	Ircon PB Tollway Limited	Subsidiary Companies	45.00	81.22
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	526.00	38.15
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	589.50	-
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	326.72
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	-	39.00
11	Recovery of Advances	Rail Land Development Authority	Government Related Entities	615.30	615.31
12	Repayment of Loans	Indian Railway Finance Corporation	Government Related Entities	615.30	615.31
13	Advances Received	Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	13.94	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	1.36	3.07
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	5.00	36.39
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.29	-
		Rail Land Development Authority	Government Related Entities	15.00	-
		Ministry of Railways	Government Related Entities	5,042.37	2,700.26
14	Repayment of Advances	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	-	13.82
		Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	0.57	-
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	21.97	70.28
		Chhattisgarh East Railway Limited	Joint Venture Companies	15.52	15.19
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	9.79	9.34
		Mahanadi Coal Railway Limited	Joint Venture Companies	-	0.98
		Bastar Railway Private Limited	Joint Venture Companies	-	0.26
		Ministry of Railways	Government Related Entities	3,909.24	2,496.10
15	Post Employment Benefit Plans				
15.1	Contribution made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	4.72	3.30
		Ircon Employees Contributory PF Trust	Post Employment Benefit Plans	45.46	40.12

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
15.2	Reimbursements made during the year	Ircon Medical Trust	Post Employment Benefit Plans	4.72	10.45
		Ircon Defined Contribution Superannuation Pension Scheme, 2009 Trust	Post Employment Benefit Plans	8.93	9.02
		Ircon Gratuity Trust	Post Employment Benefit Plans	-	13.57

Note: (i) Refer Note 37 for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations.

(ii) Purchases from Ministry of Railways are heterogeneous in nature, thus immaterial. Hence not disclosed.

c) **Outstanding balances with the related parties are as follows:**

(₹ in crore)

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31 st March, 2022	As at 31 st March, 2021
1	Equity Investments (Including Deemed Equity)	Ircon Infrastructure and Services Limited	Subsidiary Companies	65.00	65.00
		Ircon PB Tollway Limited	Subsidiary Companies	230.79	165.00
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	150.19	150.00
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	187.69	169.05
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	179.42	135.77
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	18.40	0.05
		Ircon Akloli-Shirsad Expressway Limited	Subsidiary Companies	0.05	-
		Ircon Ludhiana Rupnagar Highway Limited	Subsidiary Companies	0.05	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	0.05	-
		Ircon Haridwar Bypass Limited	Subsidiary Companies	0.05	-
		Ircon Renewable Power Limited	Subsidiary Companies	5.20	-
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	64.15	64.15
		Chhattisgarh East Railway Limited	Joint Venture Companies	213.46	142.58
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	157.17	131.17
		Mahanadi Coal Railway Limited	Joint Venture Companies	26.00	0.01
Jharkhand Central Railway Limited	Joint Venture Companies	63.00	63.00		
Bastar Railway Private Limited	Joint Venture Companies	76.34	76.34		

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31 st March, 2022	As at 31 st March, 2021
		Indian Railway stations Development Corporation Limited	Joint Venture Companies	52.00	52.00
2	Investment in Bonds	Indian Railway Finance Corporation	Government Related Entities	205.18	221.47
3	Amount Recoverable towards loans granted	Ircon PB Tollway Limited	Subsidiary Companies	240.66	336.00
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	-	526.00
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	38.76	26.46
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	34.48	589.50
4	Amount recoverable other than loans				
4.1	Trade Receivables	Ircon Infrastructure and Services Limited	Subsidiary Companies	1.53	1.52
		Ircon PB Tollway Limited	Subsidiary Companies	17.51	14.22
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	6.37	-
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	16.63	37.11
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	92.65	2.03
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	8.37	-
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.05	0.06
		Chhattisgarh East Railway Limited	Joint Venture Companies	19.92	46.94
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	3.85	23.37
		Mahanadi Coal Railway Limited	Joint Venture Companies	14.08	4.75
		Bastar Railway Private Limited	Joint Venture Companies	0.00	6.65
		Ministry of Railways	Government Related Entities	77.14	34.77
4.2	Contract Assets				
(a)	Billable Revenue/ Receivable not due and CWIP at Realisable Value	Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	4.40	-
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.64	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	31.59	19.53
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	37.30	4.80
		Mahanadi Coal Railway Limited	Joint Venture Companies	1.29	0.38
		Bastar Railway Private Limited	Joint Venture Companies	22.94	22.94
		Jharkhand Central Railway Limited	Joint Venture Companies	7.52	-
		Ministry of Railways	Government Related Entities	153.86	18.65

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31 st March, 2022	As at 31 st March, 2021
(b)	Retention Money and Money Withheld	Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	19.42	19.42
		Ircon Shivpuri Guna Tollway Limited	Subsidiary Companies	0.04	-
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.83	0.73
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.62	2.16
		Mahanadi Coal Railway Limited	Joint Venture Companies	3.84	4.32
		Ministry of Railways	Government Related Entities	0.86	1.90
4.3	Advance and Claims Recoverable	Ircon Infrastructure and Services Limited	Subsidiary Companies	3.07	2.06
		Ircon PB Tollway Limited	Subsidiary Companies	0.44	0.70
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	0.03	0.17
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	0.08	0.03
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	0.31	0.05
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	0.07	0.13
		Ircon Akloli-Shirsad Expressway Limited	Subsidiary Companies	0.05	-
		Ircon Bhoj Morbe Expressway Limited	Subsidiary Companies	0.02	-
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.02
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.22	0.20
		Mahanadi Coal Railway Limited	Joint Venture Companies	1.32	1.83
		Jharkhand Central Railway Limited	Joint Venture Companies	0.10	-
		Bastar Railway Private Limited	Joint Venture Companies	0.02	0.83
		Indian Railway stations Development Corporation Limited	Joint Venture Companies	1.03	0.96
		Ministry of Railways	Government Related Entities	10.96	8.04
		Rail Land Development Authority	Government Related Entities	1,270.26	1,885.56
4.4	Interest Accrued on loans	Chhattisgarh East-West Railway Limited	Joint Venture Companies	10.06	9.35
4.5	Interest Accrued on advances	Rail Land Development Authority	Government Related Entities	109.77	160.72

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	As at 31 st March, 2022	As at 31 st March, 2021
4.6	Interest Accrued on bonds	Indian Railway Finance Corporation	Government Related Entities	19.86	12.91
4.7	Recoverable from Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	7.68	3.65
5	Borrowings	Indian Railway Finance Corporation	Government Related Entities	1,230.62	1,845.92
6	Amount Payable towards				
6.1	Trade Payables	Ircon Infrastructure and Services Limited	Subsidiary Companies	0.38	0.22
6.2	Contract Liabilities (Advances and Advance Contract Receipts)	Ministry of Railways	Government Related Entities	2,326.90	1,499.52
		Ircon Davanagere Haveri Highway Limited	Subsidiary Companies	15.81	32.48
		Ircon ShivpuriGuna Tollway Limited	Subsidiary Companies	13.37	-
		Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	24.91	177.24
		Ircon Gurgaon Rewari Highway Limited	Subsidiary Companies	5.68	-
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	44.55
		Chhattisgarh East Railway Limited	Joint Venture Companies	30.82	44.98
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	52.72	57.35
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.29	-
		Rail Land Development Authority	Government Related Entities	-	10.00
6.3	Other Payable to Client	Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.65	-
		Mahanadi Coal Rail Limited	Joint Venture Companies	4.94	-
		Ministry of Railways	Government Related Entities	901.38	779.59
6.4	Interest Payable on Borrowings	Indian Railway Finance Corporation	Government Related Entities	103.81	156.56
6.5	Interest Payable on Advances	Ircon Vadodara Kim Expressway Limited	Subsidiary Companies	-	1.14
		Mahanadi Coal Railway Limited	Joint Venture Companies	0.35	-
		Rail Land Development Authority	Government Related Entities	-	1.76
		Ministry of Railways	Government Related Entities	287.20	234.16
6.6	Payable to Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	7.68	4.72

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

d) Terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) Outstanding balances of related parties at the year-end are unsecured and settlement occurs through banking transactions. These balances other than loans and interest bearing advances are interest free.
- (iii) The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

34 Interest in Subsidiaries, Joint Ventures and Joint Operations

A Disclosures in compliance with Ind AS 27 "Separate Financial Statements" are as under:

Investment in following subsidiary companies, joint venture companies and joint operations is accounted at cost

Investment in Subsidiary Companies

S. No.	Name of the Subsidiary Company	Principal Place of Business and Country of Incorporation	As at 31 st March, 2022		As at 31 st March, 2021	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
1	Ircon Infrastructure and Services Limited	India	100.00	100.00	100.00	100.00
2	Ircon PB Tollway Limited	India	100.00	100.00	100.00	100.00
3	Ircon ShivpuriGuna Tollway Limited	India	100.00	100.00	100.00	100.00
4	Ircon Davanagere Haveri Highway Limited	India	100.00	100.00	100.00	100.00
5	Ircon Vadodara Kim Expressway Limited	India	100.00	100.00	100.00	100.00
6	Ircon Gurgaon Rewari Highway Limited	India	100.00	100.00	100.00	100.00
7	Ircon Renewable Power Limited	India	76.00	76.00	-	-
8	Ircon Akloli-Shirsad Expressway Limited	India	100.00	100.00	-	-
9	Ircon Ludhiana Rupnagar Highway Limited	India	100.00	100.00	-	-
10	Ircon Haridwar Bypass Limited	India	100.00	100.00	-	-
11	Ircon Bhoj Morbe Expressway Limited	India	100.00	100.00	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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, 2022		As at 31 st March, 2021	
			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	27.31	26.00	21.23	26.00
3	Chhattisgarh East-West Railway Limited	Chhattisgarh, India	26.00	26.00	26.02	26.00
4	Mahanadi Coal Railway Limited	Odisha, India	26.00	26.00	26.00	26.00
5	Jharkhand Central Railway Limited	Jharkhand, India	14.82	26.00	14.82	26.00
6	Bastar Railway Private Limited	Chhattisgarh, India	26.00	26.00	26.00	26.00
7	Indian Railway Stations Development Corporation Limited	Delhi NCR, India	26.00	26.00	26.00	26.00

Investment in Joint Operations

S. No.	Name of the Joint Operation	Principal Place of Business and Country of Incorporation	As at 31 st March, 2022		As at 31 st March, 2021	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
i)	For projects in operation: Express Freight Consortium	Gujarat and Maharashtra, India	30.00	30.00	30.00	30.00
	Express Freight Railway Consortium	Maharashtra, India	30.00	30.00	30.00	30.00
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
	IRCON-AFCONS	Bangladesh	53.00	53.00	53.00	53.00
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	Tamil Nadu, India	55.00	55.00	55.00	55.00

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Name of the Joint Operation	Principal Place of Business and Country of Incorporation	As at 31 st March, 2022		As at 31 st March, 2021	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
	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

Interest in Subsidiaries, Joint Ventures and Joint Operations

B Financial Interest in Joint Operations (to the extent of Company's share)

(₹ in crore)

S. No.	Particulars	Name of the Joint Operation									
		IRCON-AFCONS		Express Freight Consortium		International Metro Civil Contractor		Metro Tunnelling Group		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	As at Year End:										
	Assets										
	PPE		-	-	-					-	-
	Capital Work in Progress		-	-	-					-	-
	Other Assets	0.52	0.68	-	-	4.37	4.64	2.07	4.86	6.96	10.18
2	Liabilities										
	Provisions	-	-	-	-	0.01	0.03	0.18	0.14	0.19	0.17
	Other Liabilities	-	-	-	-	0.91	0.91	0.05	0.07	0.96	0.98
	For the year end:										
3	Total Income	0.02	0.10	1.74	2.75	0.05	0.07	0.10	0.24	1.91	3.16
4	Total Expenses	0.19	-	0.78	1.64	0.01	-	0.01	0.03	0.99	1.67
5	Total Taxes	-	18.40	0.37	0.60	0.01	0.03	0.03	(0.06)	0.41	18.97
6	Profit after tax	(0.17)	(18.30)	0.59	0.51	0.03	0.04	0.06	0.27	0.51	(17.48)
7	Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
8	Total Comprehensive Income	(0.17)	(18.30)	0.59	0.51	0.03	0.04	0.06	0.27	0.51	(17.48)

Note: Contingent Liabilities relating to Joint Operations are disclosed in Note 37.

35 Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

(i) Basic and diluted earnings per share (in ₹)

Particulars	Note	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Profit attributable to Equity holders (₹ in crore)	(ii)	544.32	404.56
Weighted average number of equity shares for Basic and Diluted EPS (In Numbers) *	(iii)	94,05,15,740	94,05,15,740
Earnings per share (Basic)		5.79	4.30
Earnings per share (Diluted)		5.79	4.30
Face value per share		2.00	2.00

* The Board of Directors of IRCON in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of ₹2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Company is ₹188,10,31,480 divided into 94,05,15,740 equity shares of ₹2/- each.

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

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Profit for the year as per Statement of Profit and Loss	544.32	404.56
Profit attributable to Equity holders of the company used for computing EPS:	544.32	404.56

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

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening balance of issued equity shares	47,02,57,870	9,40,51,574
Equity shares issued during the year	-	-
Increase in the Number of Share on account of Shares Split	-	37,62,06,296
Bonus share issued	47,02,57,870	47,02,57,870
Weighted average number of equity shares for computing Basic EPS	94,05,15,740	94,05,15,740
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	94,05,15,740	94,05,15,740

36 Impairment of Assets

During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil (Nil) has been provided for."

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

37 Provisions, Contingencies and Commitments

(i) Provisions

The nature of provisions provided and movement in provisions during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are disclosed in Note 19.

(ii) Contingent Liabilities

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

(₹ in crore)

	Particulars	Foot Note	As at 31 st March 2021	Addition during the year	Claims settled / Paid during the year	As at 31 st March 2022
a)	Claims against the Company not acknowledged as debts :					
	Disputed Direct tax demands					
	(i) in respect of the Company	1	308.06	22.77	(131.80)	199.03
	Disputed Indirect tax demands					
	(i) in respect of the Company	2	256.59	10.59	(3.52)	263.66
	(ii) in respect of the Joint Operations	3	4.25	-	(0.92)	3.33
	Legal Cases					
	(i) in respect of the Company	4	474.72	137.00	(74.41)	537.31
	(ii) in respect of the Joint Operations	5	0.02	-	-	0.02
	Claims by Employees	6	-	-	-	-
b)	Guarantees (excluding financial guarantees) issued by the company on behalf of					
	Subsidiaries Companies	7 (i) (ii)	337.92	1,067.41	(326.27)	1,079.06
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		1,390.83	1,237.77	(536.92)	2,091.68

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- 2 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 ₹ **176.60 crore** which is reimbursable from clients.
- 3 In case of International Metro Civil Contractor, a Joint Operation of the Company, there is disputed demand pending with the sales tax authorities amounting to ₹**3.33 crore** (₹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.
- 4 The Company is a party to several legal suits on construction contract terms related disputes, pending before various courts and arbitration proceedings in India and abroad. Some of the contractors have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts. Against a total claim of ₹**638.79 crore** (₹557.26 crore), provision of ₹**101.48 crore** (₹82.54 crore) has been made and balance ₹**537.31 crore** (₹474.72 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 ₹**238.82 crore** (₹134.94 crore). Interest on claims is not considered, being unascertainable.
- 5 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.
- 6 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.
- 7 (i) The Company has given letter of comfort on behalf of its subsidiary company, Ircon Infrastructure and Services Limited for an amount of ₹**11.39 crore** (₹11.65 crore) for performance guarantee submitted to client.
(ii) The Company has given corporate guarantee to Indian Overseas Bank, Bank of Baroda and State Bank of India on behalf of and in respect of term loan facility for its subsidiary companies for an amount of ₹**1534.80 crore** (₹1536.56 crore). The term loan availed (net of repayment) by the subsidiary companies as on 31.03.2022 is ₹**1056.02 crore** (₹326.27 crore).

(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 ₹**425.76 crore** (₹395.43 crore) including interest calculated up to 31.03.2022 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 ₹**25.42 crore** (₹24.12 crore).
- c) Insurance Claim of **USD 0.91** (USD 0.89 Mn) and Ethiopian Birr **1.22 Mn** (Birr 1.16 Mn) equivalent to ₹**7.05**

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

crore (₹6.74 crore) including interest calculated upto 31.03.2022 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 2022	As at 31 st March 2021
a) Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	16.37	18.37
b) Other Commitments			
(i) Funding committed by way of equity and loans in Subsidiary Companies	2	837.95	699.27
(ii) Funding committed by way of equity and loans in Joint Venture Companies	3	75.42	80.41
(iii) Counter Bank Guarantee for Subsidiary Companies	4	258.28	396.07
(iv) Corporate Guarantee for Subsidiary Companies	5	444.30	1210.29
(v) Sponsor's Support Agreement on behalf of Joint Venture	6	1033.76	1033.76
(vi) Loan commitment for Subsidiary Companies	7	500.00	500.00
Total		3,166.08	3,938.17

Foot Note:

(₹ in crore)

1	S. No	Capital Commitments	As at 31 st March 2022	As at 31 st March 2021
	1	Estimated amount of contracts remaining to be executed on Investment Property	-	2.00
	2	Estimated amount of contracts remaining to be executed on Intangible Assets under development	16.37	16.37
		Total	16.37	18.37

(₹ in crore)

2	S. No	Name of the Subsidiary	As at 31 st March 2022		As at 31 st March 2021	
			Equity	Loans	Equity	Loans
	1	Ircon PB Tollway Limited	-	-	-	138.74
	2	Ircon ShivpuriGuna Tollway Limited	-	-	-	196.11
	3	Ircon Davanagere Haveri Highway Limited	44.05	12.70	53.00	13.86
	4	Ircon Vadodara Kim Expressway Limited	-	26.56	-	204.11
	5	Ircon Gurgaon Rewari Highway Limited	-	84.83	-	93.45
	6	Ircon Akoli Shirsad Expressway Limited	-	144.39	-	-
	7	Ircon Ludhiana Rupnagar Highway Limited	-	129.62	-	-
	8	Ircon Bhoj Morbe Expressway Limited	-	183.02	-	-
	9	Ircon Haridwar Bypass Limited	-	106.15	-	-
	10	Ircon Renewable Power Limited	-	106.63	-	-
		Total	44.05	793.90	53.00	646.27

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For The Year Ended 31st March 2022

(₹ in crore)

3	S. No	Name of the Joint Venture	As at 31 st March 2022		As at 31 st March 2021	
			Equity	Loans	Equity	Loans
	1	Chhattisgarh East Railway Limited	-	-	16.28	-
	2	Chhattisgarh East-West Railway Limited	36.83	-	62.83	-
	3	Mahanadi Coal Railway Limited	-	-	1.29	-
	4	Bastar Railway Private Limited	-	25.33	0.01	-
	5	Jharkhand Central Railway Limited	13.26	-	-	-
		Total	50.09	25.33	80.41	-

- 4 Company's Non Fund based limits earmarked for issuance of bank guarantee to subsidiary companies amounts to ₹488.61 crore (₹488.35 crore). Out of the said limit, bank guarantees to the extent of ₹230.33 crore (₹92.28 crore) has been utilised as on 31.03.2022. Therefore, the balance limit for issuance of bank guarantee is ₹258.28 crore (₹396.07 crore).
- 5 The Company has given corporate guarantee to Indian Overseas Bank, Bank of Baroda and State Bank of India on behalf of and in respect of term loan facility for its subsidiary companies for an amount of ₹1534.80 crore (₹1536.56 crore). The subsidiary companies have availed term loan of ₹1090.50 crore (₹326.27 crore) till 31.03.2022. During the year, the subsidiary companies have repaid an amount of ₹34.48 crore (Nil) against these term loans and the term loan balance as on 31.03.2022 is ₹1056.02 crore (₹326.27 crore).
- 6 The Company along with SECL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East West Railway Ltd. (CEWRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is ₹1033.76 (26% of total loan of ₹3976 Crore) as on 31st March 2022 (31st March, 2021: ₹1033.76 Crore).
- 7 The Company has committed to grant loan (Unsecured interest free/ Unsecured interest-bearing) upto an aggregate amount of ₹500 crore at any time to Special Purpose Vehicles (SPVs) formed as wholly owned subsidiary (WOS) companies in India for executing road/ highway project of NHAI, in addition to limits already approved BoD.

38 Segment Reporting

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

A. General information

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

(₹ in crore)

Particulars	International		Domestic		Total	
	For the year ended		For the year ended		For the year ended	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Segment Revenue						
Revenue from external customers	480.43	582.13	6,429.72	4,373.80	6,910.15	4,955.93
Total Operating Revenue	480.43	582.13	6,429.72	4,373.80	6,910.15	4,955.93
Interest income	1.88	2.92	207.58	203.82	209.46	206.74
Other Income	9.64	5.07	51.75	32.57	61.39	37.64
Inter - segment	-	-	-	-	-	-
Total Revenue	491.95	590.12	6,689.05	4,610.19	7,181.00	5,200.31
Segment Result						
Profit before provision, depreciation, interest and exceptional item and tax	68.49	41.53	594.32	563.85	662.81	605.38
Less: Provisions and write back	(14.75)	4.39	(10.07)	(5.37)	(24.82)	(0.98)
Less: Depreciation, amortization and impairment	(2.71)	(3.18)	(24.78)	(21.66)	(27.49)	(24.84)
Less: Interest	-	-	(0.45)	(5.54)	(0.45)	(5.54)
Profit before tax	51.03	42.74	559.02	531.28	610.05	574.02
Less: Tax expense	(23.31)	(32.08)	(42.42)	(137.38)	(65.73)	(169.46)
Profit after tax	27.72	10.66	516.60	393.90	544.32	404.56

C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	For the year ended		For the year ended		For the year ended	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Total Assets	731.12	577.43	11,996.36	10,087.06	12,727.48	10,664.49
Total Liabilities	627.13	501.43	7,479.39	5,756.58	8,106.52	6,258.01
Investment in joint ventures accounted for by equity method	-	-	-	-	-	-
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	22.88	25.15	765.26	803.24	788.14	828.39

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	International		Domestic		Total	
	For the year ended		For the year ended		For the year ended	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.06	0.06	5.38	33.95	5.44	34.01

D. Information about major customer

During the year ended March 31, 2022, Operating Revenue of approximately **65.70%** (56.16%) derived from a single external customer in Domestic Segment.

39 Revenue

A. Disaggregation of Revenue

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

(₹ in crore)

Type of Product or Services	For the year ended 31 st March 2022						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss /Segment Reporting
	Domestic	Foreign	Total	Input Method	Output Method		
Railways	5,909.63	468.26	6,377.89	6,368.18	9.71	9.83	6,387.72
Highway	494.85	-	494.85	494.85	-	2.07	496.92
Electrical	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	0.68	-	0.68	0.68	-	24.83	25.51
Total	6,405.16	468.26	6,873.42	6,863.71	9.71	36.73	6,910.15

Out of the total revenue recognised under Ind AS 115 during the year, ₹ 6863.71 crore is recognised over a period of time and ₹ 9.71 crore recognised point in time.

(₹ in crore)

Type of Product or Services	For the year ended 31 st March 2021						
	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	3,634.84	578.02	4,212.86	4,207.40	5.46	2.35	4,215.21
Highway	718.56	-	718.56	718.56	-	-	718.56
Electrical	0.02	-	0.02	0.02	-	-	0.02
Building	-	-	-	-	-	1.66	1.66
Others	-	-	-	-	-	20.48	20.48
Total	4,353.42	578.02	4,931.44	4,925.98	5.46	24.49	4,955.93

Out of the total revenue recognised under Ind AS 115 during the year, ₹4,925.98 crore is recognised over a period of time and ₹ 5.46 crore recognised point in time.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

B. Contract balances

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Trade Receivables (Note 12.2)	709.18	504.64
Contract Assets (Note 8.3 and 12.6)	918.04	783.26
Contract Liabilities (Note 20 and 22)	3,433.18	2,303.58

- (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 2022	As at 31 st March 2021
Contract asset at the Beginning of the year	783.26	695.03
Contract asset at the end of the year	918.04	783.26
Net increase/(decrease)	134.78	88.23

For the year 2021-22 and 2020-21 - There has been a net increase of ₹134.78 crore and ₹88.23 crore respectively as compared to previous year mainly due to recognition of Revenue based on input method whereas bills for work done are certified based on contract condition. During the year ended March 31st, 2022, ₹272.11 crore and March 31st 2021, ₹408.39 crore of contract assets as of April 1st, 2021 and April 1st 2020 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

- (iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer.

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Contract liabilities at the beginning of the year	2,303.58	2,240.64
Contract liabilities at the end of the year	3,433.18	2,303.58
Net increase/(decrease)	1,129.60	62.94

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Amount included in contract liabilities at the beginning of the year	1,444.80	1,334.43
Performance obligation satisfied in previous years	-	-

D. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2022 is Nil (As at 31st March, 2021: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (FY 2020-21: Nil)

E. Performance obligation

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March are, as follows:

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Within one year	7,200.00	6,000.00
More than one year to 2 years	7,500.00	7,000.00
More than 2 years	29,058.00	21,689.00
Total	43,758.00	34,689.00

40 Leases

a) Company as a Lessee

The Company as a lessee has entered into various lease contracts, which includes lease of land, office space, guest house and vehicles. The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 7.

Lease Liabilities

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

(₹ in crore)

	As at 31 st March 2021
Opening Balance at April 1, 2021	0.16
Accreditation of interest	0.01
Payments	(0.01)
Balance at March 31, 2022	0.16
Current	0.01
Non-current	0.15

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

Amounts recognised in Statement of Profit and Loss

(₹ in crore)

	For the year ended 31 st March 2022
Depreciation expense of right-of-use assets (Refer Note 29)	0.37
Interest expense on lease liabilities (Refer Note 28)	0.01
Expense relating to short-term leases (Refer Note 26 (iii))	4.60
	4.98

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)

	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	-	-

b) Company as a Lessor

- (i) The Company has given buildings under operating lease. Lease income (rental and service charges) aggregating ₹9.10 crore (₹8.15 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.
- (ii) The Company has given Machinery under operating lease. Lease income aggregating ₹13.54 crore (₹3.75 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 31 st March 2022
Within one year	-
After one year but not more than five years	-
More than five years	-
	-

Note:

A Letter of award has been issued to the selected concessionaire for retail mall at Sector-43, Noida. Accordingly, as per the terms one time lease payment has been received. However, certain obligations on the part of the concessionaire including entering into Concession Agreement is yet to be completed.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

41 Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

In compliance of Regulation 34(3) of SEBI (LODR) Regulation, 2015, the required information are given as under:

(₹ in crore)

Name of the Company	Outstanding balance as at		Maximum amount outstanding during the year ended	
	31 st March, 2022	31 st March, 2021	31 st March, 2022	31 st March, 2021
A	Loans and advances in the nature of loans:			
	To Subsidiary Companies			
Ircon PB Tollway Limited	240.66	336.00	336.00	417.22
Ircon ShivpuriGuna Tollway Limited	-	526.00	526.00	564.15
Ircon Davanagere Haveri Highway Limited	38.76	26.46	38.76	353.18
Ircon Vadodara Kim Expressway Limited	34.48	589.50	589.50	589.50
	To Joint Venture Companies			
Chhattisgarh East-West Railway Limited	-	-	-	39.00
B	Investment by the loanee (as detailed above) in the shares of the Company and its subsidiaries			
	-	-	-	-

Foot Note:

1 There are no transactions of loans and advances to subsidiaries/joint ventures/associates/firms/others in which Directors are interested other than as disclosed above.

42 Disclosure pursuant to section 186 of The Companies Act 2013:

(₹ in crore)

S. No.	Nature of the transaction (loans given/ investments made/guarantees given)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	As at 31 st March 2022	As at 31 st March 2021
(A)	Loans and Advances			
	Subsidiary Company			
	Ircon Shivpuri Guna Tollway Limited	Project funding	-	526.00
	Ircon PB Tollway Limited	Project funding	240.66	336.00
	Ircon Vadodara Kim Expressway Limited	Project funding	34.48	589.50
	Ircon Davanagere Haveri Highway Limited	Project funding	38.76	26.46
	Total		313.90	1,477.96
(B)	Guarantees			
			Refer Note 37	
(C)	Investments in fully paid equity shares and deemed equity			
			Refer Note 8.1	

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

43 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 2022	As at 31 st March 2021
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	3.21	5.87
	Interest due on above	-	0.24
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

44 Corporate Social Responsibility Expenses (CSR)

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

a) Amount required to be spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Gross amount required to be spent by the Company during the year	10.50	10.27
Deposited and claimed in earlier years, now refunded	-	0.15
Amount approved by the Board to be spent during the year	10.50	10.42

b) Amount spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
	Paid in cash	Yet to be paid	Total	Paid in cash	Yet to be paid	Total
On Construction/acquisition of any asset*	0.71	-	0.71	0.61	-	0.61
On purposes other than above	9.81	-	9.81	9.81	-	9.81
Total	10.52	-	10.52	10.42	-	10.42

*Assets purchased and handed over to respective organisation and are not being held by the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Contribution to Prime Minister CARES Fund for fighting against COVID-19	8.26	8.54
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	0.87	0.84
Promoting Education, including special education and employment enhancing vocation skills especially among children.	0.32	0.35
Ensuring environmental sustainability	0.19	0.02
Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	-	0.35
Sports	0.38	0.19
Others (including Other Admin Cost)	0.50	0.13
Total	10.52	10.42

d) Details related to unspent obligations:

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Unspent amount in relation to:		
- Ongoing project (#)	0.18	-
- Other than ongoing project (##)	-	-

Ongoing Project:

(₹ in crore)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	1.47	0.23	1.06	-	0.18

Other than ongoing project:

(₹ in crore)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year*	Closing Balance
-	-	9.23	9.23	-

* Amount spent includes ₹0.29 crore relating to administrative cost.

e) Details related to spent / unspent obligations:

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	-	-
Gross amount required to be spent by the Company during the year (as per (a) above)	10.50	10.42
Amount spent by the Company during the year (as per (b) above)*	10.52	10.42**
Shortfall/(Excess) amount spent by the company	(0.02)	-

* There are no related party transaction in respect to CSR expenditure.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

** During the previous year 2020-21, company has spent excess amount of ₹7.12 crore, which has been set off in financial year 2021-22.

e) Other disclosure:

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (1)	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

45 Covid -19 Disclosure

The Company has considered the possible effects that may result from Covid-19 in the preparation of its financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of Covid-19, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The actual impact of this global health pandemic may be different from that which has been estimated, as the Covid-19 situation evolves in India and globally. However, the Company will continue to closely monitor any material changes to future economic conditions.

46 Other Regulatory Disclosure

(a) Disclosure of ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for change more than 25%
Current ratio	Current Assets	Current Liabilities	1.32	1.22	8.03%	
Debt-equity ratio	Total Debt	Shareholder's Equity	0.00	0.00	-4.64%	
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.999	0.991	0.83%	
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.12	0.09	27.69%	Refer Comment (i)
Inventory turnover ratio	Cost of goods sold	Average Inventory	31.97	19.69	62.39%	Refer Comment (iii), (vii) and (ix)
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	11.39	9.32	22.22%	
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.73	5.68	18.47%	
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.91	4.04	-27.94%	Refer Comment (ii)
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.076	0.078	-2.56%	

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for change more than 25%
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.12	0.09	26.66%	Refer Comment (i)
Return on investment	Interest (Finance Income)	Investment	5.01%	3.96%	26.63%	Refer Comment (v) & (vi)

Comments:-

- (i) The movement is primarily on account of incremental income generated via Contract Revenue and dividend from JVs. etc.
- (ii) The movement is only on account of increase in working capital.
- (iii) Average inventory has decreased in comparison to previous year.
- (iv) The movement is on account of increase in revenue from operation.
- (v) The movement is on account of increase in dividend from JVs.
- (vi) Investment in Bonds, Mutual funds and Joints Ventures has been considered for Ratio calculation.
- (vii) Increase in operating expenditures due to corresponding increase in operating revenue.
- (viii) The ratio is not applicable due to offsetting of loan from Indian Railway Finance Corporation with amount recoverable from Rail Land Development Authority. Only minor impact of lease liability considered.
- (ix) Cost of goods sold includes project expenditures.
- (b) The Company do not have any transactions with companies struck off.
- (c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (d) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- (e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (g) The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (h) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (i) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (j) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

47 Disclosure as required by Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors

During the year the Company has changed the accounting policy related to “Dividend”. There is no impact on the profitability of the Company, and the revised accounting policy is as below and amendments are highlighted in Bold.

Dividend

Annual Dividend distribution to the Company’s equity shareholders is recognized as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognized as liability on approval by the Board of Directors. Dividend payable and corresponding tax on dividend distribution **if any**, is recognized directly in equity.

48 Recent pronouncement

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below. Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 – Financial Instruments - 10 per cent test for derecognition of financial liabilities. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. The Company has evaluated the amendment and the impact is not expected to be material.

49 Other disclosures

- a) The company has been claiming deduction under section 80 IA from AY 2000-01 to AY 2019-20. The deduction under section 80 IA has been allowed by Income Tax appellate Tribunal (ITAT) upto AY 2013-14. However, Income Tax Department has filled appeal before High Court against order of ITAT for the AY 2000-01. Upto AY 2019-20 company was offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign countries are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals. This issue has been allowed in favour of Ircon by ITAT upto AY 2013-14.
- 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 ₹1432.67 crore (₹2134.49 crore) is under litigation, for which provision of ₹3.93 crore (₹6.19 crore) has been made and reimbursed by the client. The Company has also made counter claims on the contractors of ₹615.65 crore (₹1048.42 crore). Interest on claims is not considered, being unascertainable.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- c) Hon'ble High Court has permitted to release an arbitration award, amounting to ₹97.96 Crore against NHAI for UP-05, Orai Highway Project against submission of bank guarantee of equivalent amount. The company has provided liability of equivalent amount till final decision of the Court.
- d) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. However, management does not expect to have any material financial impact of such pending confirmations / reconciliations.
- e) Certain reclassifications and recasting have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. These reclassifications have no effect on the reported results of operations.
- f) Previous year figures are shown under bracket () to differentiate from current year figures.
- g) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates

Chartered Accountants
FRN : 002871N

Sd/-

Ragini Advani

Director (Finance)
DIN-09575213

Sd/-

Yogesh Kumar Misra

Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-

Harbir Singh Gulati

Partner
M. No. 084072

Sd/-

Mugunthan Boju Gowda

Chief Financial Officer

Sd/-

Ritu Arora

Company Secretary
FCS No. 5270

Place : New Delhi

Date : May 27, 2022

C&AG COMMENTS

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Ircon International Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 July 2022 which supersedes their earlier Audit Report dated 27 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Ircon International Limited for the year ended 31 March 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6) (b) of the Act.

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

Sd/-

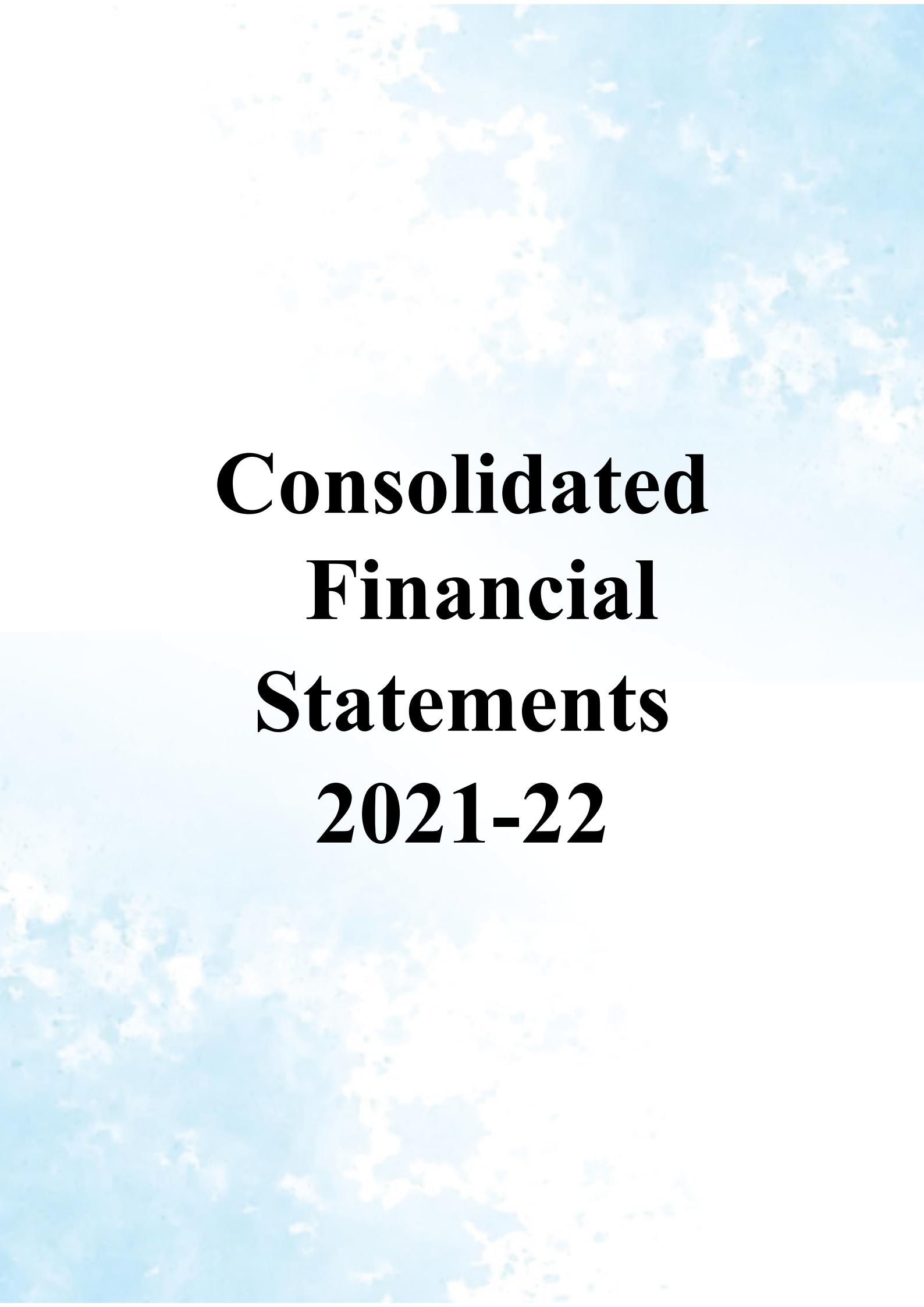
(Vikram D. Murugaraj)

Principal Director of Audit

Railway Commercial, New Delhi

Place: New Delhi

Dated: July 29, 2022



**Consolidated
Financial
Statements
2021-22**

FORM AOC - 1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2022
(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	Ircan Shivpuri Guna Tollway Limited (ISGTL)	Ircan PB Tollway Limited (IPBTL)	Ircan Davanagere Haveri Highway Limited (IDHHL)	Ircan Infrastructure & Services Limited (IISL)	Ircan Vadodara Kim Expressway Limited (IVKEL)	Ircan Gurgaon Rewari Highway Limited (IGRHL)
1	Reporting period for the Subsidiary	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2	Reporting Currency	INR	INR	INR	INR	INR	INR
3	Share Capital(Including share application money pending allotment)	150.00	165.00	173.00	65.00	10.00	0.05
4	Other equity/Reserves & surplus(as applicable)	(88.30)	4.41	23.92	99.94	229.90	18.35
5	Liabilities	542.72	315.37	422.45	196.59	693.28	9.53
6	Total Equity and Liability	604.42	484.78	619.37	361.53	933.19	27.93
7	Total Assets	604.42	484.78	619.37	361.53	933.19	27.93
8	Investments	-	-	-	-	-	-
9	Turnover	144.07	55.78	45.71	177.89	399.71	24.68
10	Profit before taxation	(12.05)	(24.62)	8.37	13.35	80.29	-
11	Provision for taxation	-	-	2.50	8.05	20.13	1.11
12	Profit after taxation	(12.05)	(24.62)	5.87	5.30	60.16	(1.11)
13	Interim Dividend - Equity	-	-	-	-	-	-
14	Interim Dividend - Preference	-	-	-	-	-	-
15	Proposed Dividend - Equity	-	-	-	-	-	-
16	Proposed Dividend - Preference	-	-	-	-	-	-
17	% of share holding	100%	100%	100%	100%	100%	100%

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates
Chartered Accountants
FRN : 002871N

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-
Harbir Singh Gulati
Partner
M. No. 084072

Sd/-
Mugunthan Boju Gowda
Chief Financial Officer

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Place : New Delhi
Date : May 27, 2022

FORM AOC - 1

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2022
(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A “Subsidiaries”

(₹ in crore)

Sr. No.	Name of the Subsidiary	Ircon Renewable Power Limited (IRPL)	Ircon Akoli Shirsad Expressway Limited (ASEL)	Ircon Ludhiana Rupnagar Highway Limited (ILRHL)	Ircon Bhoj Morbe Expressway Limited (IBEL)	Ircon Haridwar Bypass Limited (IHBL)
1	Reporting period for the Subsidiary	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2	Reporting Currency	INR	INR	INR	INR	INR
3	Share Capital (Including share application money pending allotment)	3.80	0.05	0.05	0.05	0.05
4	Other equity/Reserves & surplus (as applicable)	2.31	-	-	-	-
5	Liabilities	0.00	0.06	-	0.02	0.00
6	Total Equity and Liability	6.11	0.11	0.05	0.07	0.05
7	Total Assets	6.11	0.11	0.05	0.07	0.05
8	Investments	-	-	-	-	-
9	Turnover	-	0.02	0.01	0.01	0.01
10	Profit before taxation	(0.35)	-	-	-	-
11	Provision for taxation	0.06	-	-	-	-
12	Profit after taxation	(0.29)	-	-	-	-
13	Interim Dividend - Equity	-	-	-	-	-
14	Interim Dividend - Preference	-	-	-	-	-
15	Proposed Dividend - Equity	-	-	-	-	-
16	Proposed Dividend - Preference	-	-	-	-	-
17	% of share holding	76%	100%	100%	100%	100%

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates
Chartered Accountants
FRN : 002871N

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-
Harbir Singh Gulati
Partner
M. No. 084072

Sd/-
Mugunthan Boju Gowda
Chief Financial Officer

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Place : New Delhi
Date : May 27, 2022

FORM AOC - 1

Part "B": Joint Ventures

(₹ in crore)

Sr. No.	Name of the Joint Ventures	Bastar Railways Private Limited	Chhattisgarh East Railway Limited	Chhattisgarh East West Railway Limited	Iron - Soma Tollway Private Limited	Jharkhand Central Railway Limited	Mahanadi Coal Railway Limited	Indian Railway Stations Development Corporation Ltd
1	Latest audited Balance Sheet Date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2	Shares of Joint Venture held by the company on the year end %	26.00%	26.00%	26.00%	50%	26.00%	26%	26%
	Number of shares held	7,63,37,300	19,78,55,700	15,71,70,000	6,38,70,000	1,30,00,000	2,60,00,000	5,19,99,699
	Amount of Investment in Joint Venture (Note 2 Below) (in ₹)	76,33,73,000	2,13,46,00,000	1,57,17,00,000	63,87,00,000	63,00,00,000	26,00,00,000	51,99,96,990
	Total No of Shares	29,36,05,000	77,27,28,289	59,40,55,000	12,77,40,000	8,77,29,862	9,00,00,000	19,99,99,398
	Extent of Holding (%)	26.00%	25.60%	26.46%	50%	14.82%	28.89%	26.00%
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)	76.36	220.40	154.13	90.41	66.50	23.16	78.69
	Profit / (loss) for the year (₹ in Crore)	(0.89)	62.33	0.28	88.83	2.02	(0.02)	(0.39)
6	(i) Considered in consolidation (₹ in Crore)	(0.23)	15.96	0.07	44.42	0.30	-	(0.10)
	(ii) Not considered in consolidation (₹ in Crore)	(0.66)	46.36	0.21	44.42	1.72	(0.02)	(0.29)

Notes

1 Significant influence is demonstrated by holding 20% or more of the voting power of the investee.

2 Amount of Investment in Joint Venture
Deemed Equity-JCRL : ₹ 50 Crore

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates

Chartered Accountants
FRN : 002871N

Sd/-

Harbir Singh Gulati

Partner

M. No. 084072

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

Mugunthan Boju Gowda

Chief Financial Officer

Sd/-

Yogesh Kumar Misra

Chairman & Managing Director,
CEO and Director (Works)

DIN-07654014

Sd/-

Ritu Arora

Company Secretary

FCS No. 5270

Place : New Delhi

Date : May 27, 2022

REVISED 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, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2022. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate office level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

This report has been revised consequent upon observations of Comptroller of Auditor General of India during the course of audit u/s 139(5) of the Companies Act, 2013 as

amended, for the year ended on 31st March 2022, and this report supersedes our earlier report dated 27May, 2022 under section 143 of the Companies Act, 2013

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) On 'Using the work of Another Auditor' including materiality, below key Audit Matters have been reproduced from the independence Auditors reports on the audit of Standalone Ind AS financial statements of the holding company.

Key Audit Matter	How our audit addressed the matter
<p>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p>

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

Key Audit Matter	How our audit addressed the matter
<p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>For details refer Note 43 to the Consolidates Ind AS Financial Statements.</p>	<p>Evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy.</p> <p>Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. <p>Performed analytical procedures for reasonableness of revenues disclosed</p>

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Key Audit Matter	How our audit addressed the matter
<p>Contingent Liabilities</p> <p>Contingent Liabilities There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases. (Refer Note No. 40 of the Consolidates Financial Statements, read with the Accounting Policy No. 2.2.16).</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> • Reviewing the current status and material developments of legal matters. • Examining recent orders from competent authorities and /or communication received from various authorities, judicial forums and follow-up action thereon. <p>Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</p>
<p>System Environment and internal Controls</p> <p>The Company is having SAP system in place and only FI-CO module is implemented and other system like payroll, inventory etc. is under the process of implementation Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p> <p>The Further Explanation why we consider this as a Key Audit Matter is as follows:</p> <p>Our audit planning & procedures also includes the various reports which the system generates and without which it is difficult for us to collect the data of the various heads of the Balance sheet.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • 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.
<p>Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements</p> <p>The Holding Company's Board of Directors is responsible for matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated change in equity and consolidated cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including</p>

REVISED INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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

- We did not audit the financial statements / financial

information of three (3) foreign branches of holding company included in the consolidated Ind AS financial statement of the Group whose financial statements/ financial information reflect total assets of ₹577.97 Crores (Previous year ₹411.85 Crores) as at 31st March 2022, total revenue of ₹444.69 Crores (Previous Year ₹518.97 crores) and total PBT of ₹41.79 crores (previous year ₹36.64 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 (₹0.08 Crores) (Previous Year ₹17.99 Crores) profit/(loss) net, the holding company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants and ₹0.51 Crores (Previous Year ₹0.51 Crores) profit net the holding company's share in 1 joint operation account certified by the management.
- We did not audit the financial statements/financial information of eight subsidiaries whose financial statements/ financial information reflect Total Assets of ₹3031.08 Crores (Previous Year ₹2,855.60 Crores) as at 31st March 2022, Total Revenues of ₹404.71 Crores (Previous Year ₹323.14 Crores) and net increase/ (decrease) in cash flows amounting to ₹40.43 Crores (Previous Year ₹32.15 Crores) for the year ended on that date, as considered in the consolidated Ind AS financial statements and the financial statements/financial information of three subsidiaries company incorporated in current year have not been audited by their auditor's but certified by the Management included in the consolidated Ind AS financial statements whose standalone unaudited financial statements/ financial information reflect Total Assets of ₹6.23 Crores (Previous Year ₹ Nil) as at 31st March 2022, Total Revenues of ₹0.02 Crores (Previous Year ₹ Nil) and net increase/ (decrease) in cash flows amounting to ₹0.12 Crores (Previous Year ₹ Nil) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial statements also include the

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

group's share of ₹59.95 Crores (Previous Year ₹31.87 Crores) profit (net) using equity method for the year ended 31st March, 2022 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 which have been audited by other auditors whose financial statement / financial information have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosure included in respect of these audited subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries & Jointly controlled entities, is based solely on the reports of the other Auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "order") issued by the Central Government in terms of Section 143(11) of the Act, based on our audit we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxii) of the order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditor's on separate financial statements and the other financial information of subsidiaries and joint ventures as mentions in the 'Others Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements:
 - b) In our opinion, proper books of account as required

by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The reports on the accounts of the branch offices of the Holding Company and its subsidiaries and jointly controlled companies incorporated in India, audited under Section 143(8) of the Act by their auditors have been sent to us and have been properly dealt with in preparing this report.
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under.
- f) Being a Government Company, Provision of section 164(2) of the Act are not applicable pursuant to notification No.G.S.R.463(E) dated 5th June, 2015, issued by Central Government of India.
- g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h) Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Holding Company has disclosed the impact of pending litigations as at 31st March, 2022 on the consolidated financial position of the Group, and its jointly controlled entities. Refer Note No. 40 to the Consolidated Ind AS financial statements.

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

- (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Refer Note No. 21.2 to the consolidated Ind AS financial statements. The Group did not have any derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India.
- (iv) a) The respective Management of the holding company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other Auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in note no 47 to the accounts, no have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding Company or any of such subsidiaries and joints ventures to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or any of such subsidiaries and joints ventures or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective Management of the holding company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other Auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in note no 47 to the accounts, no funds have been received by the holding Company or any of such subsidiaries and joints ventures from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company and its subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in note no 2.2.15 to the Consolidated Ind AS financial statements
- a. The final dividend proposed in the previous year, declared and paid by the holding company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- b. The interim dividend declared and paid by the holding company during the year and until the date of this report is in accordance with section 123 of the Act.
- c. The Board of Directors of the holding company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that.

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

S. No	Directions	Auditor's Replies
1.	Whether the Group has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	The Group is using SAP S/4 Hana/Tally system to process all the accounting transactions. As per the information and explanation provided to us , no accounting transaction has been processed outside the IT system except income billing for which no financial implication were observed.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group due to the Group's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender Group company).	No, the Group does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group. However, the holding company has given a loan to one of its subsidiary, Ircon PB Tollway Ltd.(IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the holding and subsidiary company have booked interest income and interest expenses respectively in their books of accounts on the basis of fair valuation as per Ind AS amounting to ₹15.45 crore.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable by the Group for any specific scheme from central/state agencies during the financial year 2021-22.

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072ANKWAJ9560

Place: New Delhi

Date: July 22, 2022

**REVISED INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

“Annexure A” to the Independent Auditors’ Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

In terms of the information and explanation sought by us and given by the company and to the best of our knowledge and believe, we state that:

3(xxi) In respect of the Companies (Auditor’s Report) Order, 2020 (CARO 2020), report of the auditor of the holding company, its subsidiaries and joint ventures included in the consolidated financial statements have given their remarks in the following clauses:

Sr no	Name	(CIN)	Holding Company/ subsidiary/ Associate/ Joint Venture.	Clause number of the CARO report which is qualified or adverse.
1.	IRCON International Limited	L45203DL1976GOI008171	Holding Company	Clause no 3 (xx)(b)
2.	Chhattisgarh East Railway Limited	U45203CT2013GOI000729	Joint Venture	Clause no 3(xvii)
3.	Chhattisgarh East-West Railway Limited	U45203CT2013GOI000768	Joint Venture	Clause no 3(ix)(c), 3(xi)(c), 3(xvii)
4.	Bastar Railways Private Limited	U74900CT2016PTC007251	Joint Venture	Clause no 3(xvii)
5.	Ircon-Soma Tollway Private Limited	U74999DL2005PTC135055	Joint Venture	Clause 3(xx)(a)
6.	Mahanadi Coal Railway Limited	U60100OR2015GOI019349	Joint Venture	Clause no 3(xvii)
7.	Ircon Infrastructure & Services Limited.	U45400DL2009GOI194792	Subsidiaries	Clause No 3(xx) (b)

The report of the following three (3) subsidiary companies included in the consolidated Ind AS financial statements have not been issued by the respective auditors till the date of our auditors Reports on the Ind AS consolidated financial statements.

Sr no	Name of the subsidiary company	Corporate Identification No(CIN)
1.	Ircon Bhoj Morbe Expressway Limited	U45203DL2022GOI392148
2.	Ircon Haridwar Bypass Limited	U45209DL2022GOI392406
3.	Ircon Renewable Power Limited	U40106DL2022GOI392384

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072ANKWAJ9560

Place: New Delhi

Date: July 22, 2022

REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

“Annexure B” to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

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

We have audited the internal financial controls over financial reporting of IRCON INTERNATIONAL LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its Jointly controlled entities as of March 31, 2022 in conjunction with our audit of the consolidated Ind AS financial statements of the Group and its jointly controlled entities for the year ended on that date. We did not audit the internal financial controls over financial reporting of its Eleven subsidiary companies and seven jointly controlled entities, out of which three subsidiaries company are unaudited as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company's and its subsidiary company and jointly controlled company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company and jointly controlled company which are companies incorporating in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with

the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Holding company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

REVISED INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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 unauthorized 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, 2022, 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,

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072ANKWAJ9560

internal control needs further strengthening in respect of the following areas identified as on 31.03.2022 as it appears from our examination of the books and records of the Holding company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities audited.

- a) The Holding Company has an integrated ERP system which was not used at its full potential. Some of the subsidiary company and jointly controlled entities have not used the ERP system for the preparation of financial accounts instead software "Tally" was used for the same with manual interventions. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- b) The Inventory records at some units of the holding company are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to eight audited subsidiary companies, seven jointly controlled entities, and three unaudited subsidiary companies which are companies incorporated in India, is based on the corresponding reports of their other auditors and management certificate respectively (also refer paragraph on Other Matters of the Independent Auditors' Report on Consolidated Ind AS Financial Statements).

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the consolidated financial statements of the group for the year ended 31st March, 2022 and these areas do not affect our opinion on the Consolidated Ind AS financial statements of the Company.

Place: New Delhi

Date: July 22, 2022

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, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

We have audited the financial statements of the three (3) foreign branches situated at South Africa, Malaysia and Sri Lanka (Indian part) for the year ended 31st March, 2022. However, we have not visited any foreign branch and the relevant information for the audit purpose was provided to us by the management at corporate office level.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) On 'Using the work of Another Auditor' including materiality, below key Audit Matters have been reproduced from the independence Auditors reports on the audit of Standalone Ind AS financial statements of the holding company.

Key Audit Matter	How our audit addressed the matter
<p>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p>

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED**

Key Audit Matter	How our audit addressed the matter
<p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope, claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method. In the contracts where performance obligation cannot be measured by input method, the output method is applied, which faithfully depict the Company's performance towards complete satisfaction of the performance obligation.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancelations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>For details refer Note 43 to the Consolidates Ind AS Financial Statements.</p>	<p>Evaluated the effectiveness of control over the preparation of information that are design to ensure the completeness and accuracy.</p> <p>Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and satisfaction of performance obligations. We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. <p>Performed analytical procedures for reasonableness of revenues disclosed</p>
<p><u>Contingent Liabilities</u></p> <p>Contingent Liabilities There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases. (Refer Note No. 40 of the Consolidates Financial Statements, read with the Accounting Policy No. 2.2.16).</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> • Reviewing the current status and material developments of legal matters. • Examining recent orders from competent authorities and /or communication received from various authorities, judicial forums and follow-up action thereon. <p>Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

Key Audit Matter	How our audit addressed the matter
<p>System Environment and internal Controls</p> <p>The Company is having SAP system in place and only FI-CO module is implemented and other system like payroll, inventory etc. is under the process of implementation. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p>	<p>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 Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance

including other comprehensive income, consolidated change in equity and consolidated cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with companies (Indian Accounting Standard) Rules, 2015, as amended from time to time.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- We did not audit the financial statements / financial information of three (3) foreign branches of holding company included in the consolidated Ind AS financial statement of the Group whose financial statements/ financial information reflect total assets of ₹577.97 Crores (Previous year ₹411.85 Crores) as at 31st March 2022, total revenue of ₹444.69 Crores (Previous Year ₹518.97 crores) and total PBT of ₹41.79 crores (previous year ₹36.64 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 (₹0.08 Crores) (Previous Year ₹17.99 Crores) profit/(loss) net, the holding company's share in three integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants and ₹0.51 Crores (Previous Year ₹0.51 Crores) profit net the holding company's share in 1 joint operation account certified by the management.

- We did not audit the financial statements/financial information of eight subsidiaries whose financial statements/ financial information reflect Total Assets of ₹3031.08 Crores (Previous Year ₹2,855.60 Crores) as at 31st March 2022, Total Revenues of ₹404.71 Crores (Previous Year ₹323.14 Crores) and net increase/ (decrease) in cash flows amounting to ₹40.43 Crores (Previous Year ₹32.15 Crores) for the year ended on that date, as considered in the consolidated Ind AS financial statements and the financial statements/financial information of three subsidiaries company incorporated in current year have not been audited by their auditor's but certified by the Management included in the consolidated Ind AS financial statements whose standalone unaudited financial statements/ financial information reflect Total Assets of ₹6.23 Crores (Previous Year ₹ Nil) as at 31st March 2022, Total Revenues of ₹0.02 Crores (Previous Year ₹ Nil) and net increase/ (decrease) in cash flows amounting to ₹0.12 Crores (Previous Year ₹ Nil) 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 ₹59.95 Crores (Previous Year ₹31.87 Crores) profit (net) using equity method for the year ended 31st March, 2022 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 which have been audited by other auditors whose financial statement / financial information have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosure included in respect of these audited subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries & Jointly controlled entities, is based solely on the reports of the other Auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "order") issued by the Central Government in terms of Section 143(11) of the Act, based on our audit we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditor's on separate financial statements and the other financial information of subsidiaries and joint ventures as mentions in the 'Others Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements:
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The reports on the accounts of the branch offices of the Holding Company and its subsidiaries and jointly controlled companies incorporated in India, audited under Section 143(8) of the Act by their auditors have been sent to us and have been properly dealt with in preparing this report.
 - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - e) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under.
 - f) Being a Government Company, Provision of section 164(2) of the Act are not applicable pursuant to notification No.G.S.R.463(E) dated 5th June, 2015, issued by Central Government of India.
- g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h) Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Holding Company has disclosed the impact of pending litigations as at 31st March, 2022 on the consolidated financial position of the Group, and its jointly controlled entities. Refer Note No. 40 to the Consolidated Ind AS financial statements.
 - (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Refer Note No. 21.2 to the consolidated Ind AS financial statements. The Group did not have any derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India.
 - (iv) a) The respective Management of the holding company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other Auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in note no 48 to the accounts, no have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding Company or any of

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

such subsidiaries and joints ventures to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or any of such subsidiaries and joints ventures or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The respective Management of the holding company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other Auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in note no 48 to the accounts, no funds have been received by the holding Company or any of such subsidiaries and joints ventures from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company and its subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in note no 2.2.15 to the Consolidated Ind AS financial statements
- a. The final dividend proposed in the previous year, declared and paid by the holding company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- b. The interim dividend declared and paid by the holding company during the year and until the date of this report is in accordance with section 123 of the Act.
- c. The Board of Directors of the holding company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

S. No	Directions	Auditor's Replies
1.	Whether the Group has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	The Group is using SAP S/4 Hana/Tally system to process all the accounting transactions. As per the information and explanation provided to us , no accounting transaction has been processed outside the IT system except income billing for which no financial implication were observed.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group due to the Group's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender Group company).	No, the Group does not have any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Group. However, the holding company has given a loan to one of its subsidiary, Ircon PB Tollway Ltd.(IPBTL). On request of the subsidiary company, the holding company has waived off interest for the current year. However, the holding and subsidiary company have booked interest income and interest expenses respectively in their books of accounts on the basis of fair valuation as per Ind AS amounting to ₹15.45 crore.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per examination of records, no funds have been received/ receivable by the Group for any specific scheme from central/state agencies during the financial year 2021-22.

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072AJVYHQ1755

Place: New Delhi

Date: May 27, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

"Annexure A" to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

In terms of the information and explanation sought by us and given by the company and to the best of our knowledge and believe, we state that:

3(xxi) In respect of the Companies (Auditor's Report) Order, 2020 (CARO 2020), report of the auditor of the holding company, its subsidiaries and joint ventures included in the consolidated financial statements have given their remarks in the following clauses:

Sr no	Name	(CIN)	Holding Company/ subsidiary/ Associate/ Joint Venture.	Clause number of the CARO report which is qualified or adverse.
1.	IRCON International Limited	L45203DL1976GOI008171	Holding Company	Clause no 3 (xx)(b)
2.	Chhattisgarh East Railway Limited	U45203CT2013GOI000729	Joint Venture	Clause no 3(xvii)
3.	Chhattisgarh East-West Railway Limited	U45203CT2013GOI000768	Joint Venture	Clause no 3(ix)(c), 3(xi)(c), 3(xvii)
4.	Bastar Railways Private Limited	U74900CT2016PTC007251	Joint Venture	Clause no 3(xvii)
5.	Ircon-Soma Tollway Private Limited	U74999DL2005PTC135055	Joint Venture	Clause 3(xx)(a)
6.	Mahanadi Coal Railway Limited	U60100OR2015GOI019349	Joint Venture	Clause no 3(xvii)
7.	Ircon Infrastructure & Services Limited.	U45400DL2009GOI194792	Subsidiaries	Clause No 3(xx) (b)

The report of the following three (3) subsidiary companies included in the consolidated Ind AS financial statements have not been issued by the respective auditors till the date of our auditors Reports on the Ind AS consolidated financial statements.

Sr no	Name of the subsidiary company	Corporate Identification No(CIN)
1.	Ircon Bhoj Morbe Expressway Limited	U45203DL2022GOI392148
2.	Ircon Haridwar Bypass Limited	U45209DL2022GOI392406
3.	Ircon Renewable Power Limited	U40106DL2022GOI392384

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072AJVYHQ1755

Place: New Delhi

Date: May 27, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

“Annexure B” to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of IRCON INTERNATIONAL LIMITED

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

We have audited the internal financial controls over financial reporting of IRCON INTERNATIONAL LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its Jointly controlled entities as of March 31, 2022 in conjunction with our audit of the consolidated Ind AS financial statements of the Group and its jointly controlled entities for the year ended on that date. We did not audit the internal financial controls over financial reporting of its Eleven subsidiary companies and seven jointly controlled entities, out of which three subsidiaries company are unaudited as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company's and its subsidiary company and jointly controlled company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company and jointly controlled company which are companies incorporating in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by Institute of Chartered Accountants of India and the

Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Holding company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding company are being made

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

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 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, 2022, 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 31.03.2022 as it

appears from our examination of the books and records of the Holding company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities audited.

- a) The Holding Company has an integrated ERP system which was not used at its full potential. Some of the subsidiary company and jointly controlled entities have not used the ERP system for the preparation of financial accounts instead software "Tally" was used for the same with manual interventions. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.
- b) The Inventory records at some units of the holding company are maintained manually and the inventory manual in SAP is under consideration.

Our opinion is not modified in respect of the above matters.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to eight audited subsidiary companies, seven jointly controlled entities, and three unaudited subsidiary companies which are companies incorporated in India, is based on the corresponding reports of their other auditors and management certificate respectively (also refer paragraph on Other Matters of the Independent Auditors' Report on Consolidated Ind AS Financial Statements).

We have considered the identified areas and reported above in determining the nature, timing and extent of audit procedures applied in our audit of the consolidated financial statements of the group for the year ended 31st March, 2022 and these areas do not affect our opinion on the Consolidated Ind AS financial statements of the Company.

For HDSG & ASSOCIATES

Chartered Accountants

Firm Registration No: 002871N

Sd/-

Harbir Singh Gulati

(Partner)

Membership No: 084072

UDIN: 22084072AJVYHQ1755

Place: New Delhi

Date: May 27, 2022

CONSOLIDATED BALANCE SHEET

As at 31st March 2022

(₹ in crore)

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021
I. ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	205.01	259.98
(b) Capital Work-in-Progress	4	6.02	3.17
(c) Investment Property	5	555.18	511.01
(d) Intangible Assets	6	1,080.40	1,146.39
(e) Intangible Assets under Development	7	30.48	9.79
(f) Right-of-use Assets	8	4.43	4.80
(g) Investments accounted for using the equity method	9	695.57	558.89
(h) Financial Assets	10		
(i) Investments	10.1	225.18	275.15
(ii) Loans	10.2	0.50	0.48
(iii) Others	10.3	1,288.23	868.16
(i) Deferred Tax Assets (Net)	11	72.53	70.49
(j) Other Non-Current Assets	12	30.03	47.64
Total Non-Current Assets		4,193.56	3,755.95
2 Current Assets			
(a) Inventories	13	276.59	120.65
(b) Financial Assets	14		
(i) Investments	14.1	50.00	16.31
(ii) Trade Receivables	14.2	695.19	630.77
(iii) Cash and Cash Equivalents	14.3	1,257.95	414.20
(iv) Other Bank Balances	14.4	4,255.26	3,032.24
(v) Loans	14.5	0.80	0.95
(vi) Others	14.6	1,408.06	1,306.44
(c) Current Tax Assets (Net)	15	70.73	31.28
(d) Other Current Assets	16	2,236.83	1,944.74
		10,251.41	7,497.58
Assets held for sale	17	1.39	0.45
Total Current Assets		10,252.80	7,498.03
Total Assets		14,446.36	11,253.98
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	18	188.10	94.05
(b) Other Equity	19	4,477.52	4,309.08
Equity attributable to Owners of the parent		4,665.62	4,403.13
Non Controlling Interest	19A	1.13	-
Total Equity		4,666.75	4,403.13
2 Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities	20		

CONSOLIDATED BALANCE SHEET

As at 31st March 2022

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021
(i) Borrowings	20.1	1,304.41	312.09
(ii) Lease Liabilities	20.2	0.15	0.15
(iii) Trade Payables	20.3		
- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		-	-
(iv) Other Financial Liabilities	20.4	522.30	282.95
(b) Provisions	21	143.28	107.58
(c) Other Non-Current Liabilities	22	84.83	364.96
Total Non-Current Liabilities		2,054.97	1,067.73
(ii) Current Liabilities			
(a) Financial Liabilities	23		
(i) Borrowings	23.1	94.60	18.84
(ii) Lease Liabilities	23.2	0.01	0.01
(iii) Trade Payables	23.3		
- Total outstanding dues of Micro Enterprises and Small Enterprises		5.10	14.77
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,021.12	743.25
(iv) Other Financial Liabilities	23.4	2,629.12	2,424.48
(b) Other Current Liabilities	24	3,744.02	2,292.27
(c) Provisions	21	212.66	202.29
(d) Current Tax Liability (Net)	25	18.01	87.21
Total Current Liabilities		7,724.64	5,783.12
Total Equity and Liabilities		14,446.36	11,253.98
III. Summary of Significant Accounting Policies	2		
IV. Notes Forming Part of Financial Statements	1-52		

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates

Chartered Accountants
FRN : 002871N

Sd/-

Harbir Singh Gulati

Partner
M. No. 084072

Sd/-

Ragini Advani

Director (Finance)
DIN-09575213

Sd/-

Mugunthan Boju Gowda

Chief Financial Officer

Sd/-

Yogesh Kumar Misra

Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-

Ritu Arora

Company Secretary
FCS No. 5270

Place : New Delhi

Date : May 27, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars		Note No.	For the year ended 31 st March 2022	For the year ended 31 st March 2021
I.	Revenue :			
	Revenue from operations	26	7,379.67	5,349.83
II.	Other income	27	206.04	156.62
III.	Total Income (I + II)		7,585.71	5,506.45
IV.	Expenses:			
	Materials and Stores Consumed	28 (i)	512.17	368.04
	(Increase) / Decrease in WIP	28 (ii)	(165.26)	211.77
	Project Expenses	28 (iii)	6,118.99	3,972.55
	Employee Benefits Expenses	29	266.61	247.39
	Finance Costs	30	68.82	23.30
	Depreciation, Amortisation and Impairment	31	95.17	92.09
	Other Expenses	28 (iii)	60.50	45.65
	Total Expenses (IV)		6,957.00	4,960.79
V.	Profit before exceptional items and tax (III - IV)		628.71	545.66
VI.	Exceptional items		-	-
VII.	Share in Profit/(Loss) of Joint Ventures accounted for using equity method		59.94	31.86
VIII.	Profit before tax (V + VI + VII)		688.65	577.52
IX.	Tax expenses:			
	(1) Current tax	11		
	- For the Period		186.15	148.94
	- For earlier years (net)		(87.73)	17.87
	(2) Deferred tax (net)		(2.04)	19.65
	Total Tax Expense		96.38	186.46
X.	Profit for the year (VIII - IX)		592.27	391.06
XI.	Other Comprehensive Income	32		
	A. Items that will not be reclassified to profit or loss			
	(i) Net actuarial gains/(losses) on remeasurements of defined benefit plans		(0.80)	(0.40)
	Income Tax relating to net actuarial gains/(losses) on remeasurements of defined benefit plans		0.20	0.10
	(ii) Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax)		(0.01)	-
	B. Items that will be reclassified to profit or loss			
	(i) Exchange differences in translating the financial statements of foreign operations		6.21	(1.21)
	Income Tax relating to exchange differences in translating the financial statements of foreign operations		(1.56)	0.30
	Other Comprehensive Income/(Expense) for the year, net of income tax		4.04	(1.21)
XII.	Total Comprehensive Income for the year (X + XI) (Comprising Profit and Other Comprehensive Income for the year)		596.31	389.85
XIII.	Profit attributable to:			
	Owners of the Parent		592.34	391.06
	Non Controlling Interest		(0.07)	-

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March 2022

Particulars		Note No.	For the year ended 31 st March 2022	For the year ended 31 st March 2021
XIV	Other Comprehensive Income attributable to:			
	Owners of the Parent		4.04	(1.21)
	Non Controlling Interest		-	-
XV	Total Comprehensive Income attributable to			
	Owners of the Parent		596.38	389.85
	Non Controlling Interest		(0.07)	-
XVI	Earnings Per Equity Share attributable to owners of the parent:			
	(1) Basic (in ₹)	38	6.30	4.16
	(2) Diluted (in ₹)		6.30	4.16
	Face Value Per Equity Share		2.00	2.00
XVII	Summary of Significant Accounting policies	2		
XVIII	Notes Forming Part of Financial Statements	1 - 52		

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates

Chartered Accountants
FRN : 002871N

Sd/-

Ragini Advani
Director (Finance)
DIN-09575213

Sd/-

Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-

Harbir Singh Gulati
Partner
M. No. 084072

Sd/-

Mugunthan Boju Gowda
Chief Financial Officer

Sd/-

Ritu Arora
Company Secretary
FCS No. 5270

Place : New Delhi

Date : May 27, 2022

CONSOLIDATED STATEMENT OF CASH FLOW

For The Year Ended 31st March 2022

(₹ in crore)

Particulars		For the year ended 31 st March 2022	For the year ended 31 st March 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		688.65	577.52
Adjustment for :			
Interest on unwinding of financial instruments (Net)		(0.01)	-
Interest Expense on Loan		53.85	6.58
Depreciation, amortization and impairment		95.17	92.09
Loss on disposal of investment accounted through equity method		5.11	-
Profit on Sale of Assets (net)		(0.99)	(3.75)
Profit on Sale of Mutual Funds		(1.15)	(2.01)
Share in Profit/(Loss) of Joint Ventures		(59.94)	(31.86)
Interest Income		(105.32)	(82.83)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		13.89	7.97
Operating Profit before working capital changes	(1)	689.26	563.71
Adjustment for :			
Decrease / (Increase) in Trade Receivables		(64.43)	(79.58)
Decrease / (Increase) in Inventories		(155.94)	200.02
Decrease / (Increase) in Loans, Other Financial Assets & Other Assets		(786.27)	(507.99)
(Decrease) / Increase in Trade Payables		268.19	168.84
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		1,487.21	215.64
	(2)	748.76	(3.07)
Cash generated from operation	(1+2)	1,438.02	560.64
Income Tax Paid		(32.62)	(42.52)
NET CASH FROM OPERATING ACTIVITIES	(A)	1,405.40	518.12
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(19.77)	(4.53)
Acquisition of Intangible Assets and Intangible Assets under Development		(21.11)	(0.03)
Purchase / Proceeds of Investment Property		(0.07)	(30.49)
Sale of Property, Plant and Equipments & Intangible Assets		0.60	20.66
Sale / (Investments) in Mutual Funds		1,246.59	799.81
Purchase of Mutual Fund		(1,245.44)	(797.80)
Repayment of Loan from Joint Ventures		-	39.00
Interest Received		96.73	83.12
Dividend Received from Joint Venture Companies		41.00	17.00
Investment in Joint Venture Companies		(122.87)	(32.00)
Redemption of Bonds		16.31	-
Bank Balance Other than Cash and Cash Equivalents		(1,219.14)	(872.12)
NET CASH FROM INVESTING ACTIVITIES	(B)	(1,227.17)	(777.38)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment (to)/from non-controlling interest (net)		1.20	-
Proceeds From Non Current Borrowings		1,124.06	330.93
Repayment of Non Current Borrowings		(55.98)	-
Payment of Lease Liabilities		(0.01)	(0.02)
Final Dividend paid		(159.89)	(96.87)
Interim Dividend paid		(174.00)	(61.13)
Interest Paid		(55.97)	(4.35)
NET CASH FROM FINANCING ACTIVITIES	(C)	679.41	168.56
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	(13.89)	(7.97)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C+D)	843.75	(98.67)
CASH AND CASH EQUIVALENTS (OPENING) (Refer Note 2, 4, 5 below)	(E)	414.20	512.87
CASH AND CASH EQUIVALENTS (CLOSING) (Refer Note 2, 4, 5 below)	(F)	1,257.95	414.20
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(F-E)	843.75	(98.67)

CONSOLIDATED STATEMENT OF CASH FLOW

For The Year Ended 31st March 2022

Note :

- The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
- Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Consolidated Statement of Cash Flows:

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Cash in hand	0.10	0.08
Cheques/drafts in hand	-	-
Remittance in Transit	-	-
Balances with banks:		
– On current accounts	874.61	170.82
– Flexi Accounts	282.35	203.48
– Deposits with original maturity of less than 3 months	100.89	39.82
Total Cash and Cash Equivalents as per Balance Sheet and Consolidated Statement of Cash Flows	1,257.95	414.20

- Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

(₹ in crore)

Particulars	Borrowings*	Lease Liabilities
As at 1 April 2020	-	0.17
(a) Cash Flows during the year	330.93	(0.02)
(b) Non Cash Changes due to :		
Interest cost on Lease Liabilities	-	0.01
Interest accrued on borrowings (net of interest paid)	2.23	-
As at 31 March 2021	333.16	0.16
(a) Cash Flows during the year	1,068.08	(0.01)
(b) Non Cash Changes due to :		
Interest cost on Lease Liabilities	-	0.01
Interest accrued on borrowings (net of interest paid)	(2.13)	-
As at 31 March 2022	1,399.11	0.16

* Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 20.1, Note 23.1 and Note 23.4

- Previous year's figures have been regrouped/reclassified and restated wherever applicable.
- Earmarked and restricted balances are mentioned in Note 14.4 and 14.3
- Figures in brackets represent outflow of cash.

As per our Report of even date attached

For HDSG & Associates
Chartered Accountants
FRN : 002871N

Sd/-
Harbir Singh Gulati
Partner
M. No. 084072

Place : New Delhi
Date : May 27, 2022

For and on behalf of Board of Directors

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
Mugunthan Boju Gowda
Chief Financial Officer

Sd/-
Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st March 2022

A. Equity Share Capital

(₹ in crore)

Particulars	Amount
Balance as at 01 April, 2020	94.05
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	94.05
Changes in equity share capital during the year	94.05
Balance as at 31 March, 2022	188.10

B. Other Equity

For the year ended 31st March, 2021

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2020	3,284.64	791.85	4.93	(4.19)	4,077.23
Profit for the year	-	391.06	-	-	391.06
Other Comprehensive Income					
Remeasurment of Defined Benefit Plans	-	(0.30)	-	-	(0.30)
Foreign Exchange translation difference	-	-	-	(0.91)	(0.91)
Total Comprehensive Income for the year	-	390.76	-	(0.91)	389.85
Dividends Paid	-	(158.00)	-	-	(158.00)
Balance as at March 31, 2021	3,284.64	1,024.61	4.93	(5.10)	4,309.08

For the year ended 31st March, 2022

(₹ in crore)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
Balance as at 1 April, 2021	3,284.64	1,024.61	4.93	(5.10)	4,309.08
Profit for the year	-	592.34	-	-	592.34
Other Comprehensive Income					
Remeasurment of Defined Benefit Plans	-	(0.60)	-	-	(0.60)
Share of other comprehensive income / (expense) of joint ventures accounted for using the equity method	-	(0.01)	-	-	(0.01)
Foreign Exchange translation difference	-	-	-	4.65	4.65
Total Comprehensive Income for the year	-	591.73	-	4.65	596.38
Dividends Paid	-	(333.89)	-	-	(333.89)
Issue of Bonus Shares	-	(94.05)	-	-	(94.05)
Balance as at March 31, 2022	3,284.64	1,188.40	4.93	(0.45)	4,477.52

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates
Chartered Accountants
FRN : 002871N

Sd/-
Ragini Advani
Director (Finance)
DIN-09575213

Sd/-
Yogesh Kumar Misra
Chairman & Managing Director,
CEO and Director (Works)
DIN-07654014

Sd/-
Harbir Singh Gulati
Partner
M. No. 084072

Sd/-
Mugunthan Boju Gowda
Chief Financial Officer

Sd/-
Ritu Arora
Company Secretary
FCS No. 5270

Place : New Delhi
Date : May 27, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 2022. The Holding Company is a public sector construction Company, with emphasis on infrastructure projects, domiciled in India (CIN: L45203DL1976GOI008171) and is incorporated under the provision of companies Act, with specialization in execution of Railway projects on turnkey basis and otherwise. After commencing business as a Railway construction group, it diversified progressively along with its subsidiaries and Joint Ventures ("the Group") to roads, buildings, electrical substation and distribution, airport construction, commercial complexes, as well as metro rail works. The Group caters to both domestic and international markets. The Holding Company is an ISO certified Group for Quality, Environment and Occupational Health and Safety Management systems; a Schedule 'A' public sector Company and a Mini Ratna-Category I. The registered office of the Holding Company is located at Plot No. C - 4, District Centre, Saket, New Delhi - 110017 India and the shares of the Company are listed on National Stock Exchange and BSE.

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

The Consolidated financial statements are approved for issue by the Holding Company's Board of Directors in their meeting held on 27th May 2022.

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 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

b) The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date

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For The Year Ended 31st March 2022

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 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

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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 lease hold land acquired on perpetual lease is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013.

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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

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their disposal. The difference between the net disposal proceeds if any and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.

2.2.5 Intangible assets

Recognition and initial measurement

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

Subsequent measurement and amortization

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

The cost of capitalized software is amortized over a 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

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estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- b) Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably.
- c) The initial contract expenses on new projects for mobilization are recognized as construction work-in-progress in the year of incidence, and pro rata charged to statement of profit and loss of the project over the period at the same percentage as the stage of completion of the contract as at the end of reporting period. Site mobilization expenditure to the extent not written off valued at cost.
- d) In Cost Plus contracts, where the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (a) above.
- e) Loose tools are expensed in the period of purchase.

2.2.8 Government grant

Grant from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the subsidiary companies will comply with all attached conditions. Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that 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 contract with customer

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. The nature of Group's contract gives rise to several types of variable consideration including escalation and liquidated damages. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. The Group recognizes revenue for variable consideration when it is probable that a significant reversal in the amount cumulative revenue recognized will not occur. The Group estimates the amount of revenue to be recognized on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

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

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

The customer simultaneously receives and consumes the benefits provided by the group's performance as the group perform

- The group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or
- The group's performance does not create an asset with an alternative use to the group and

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the group has an enforceable right to payment for performance completed to date.

The Group has established certain criteria with respect to the method for recognizing the revenue that is applied consistently for similar performance obligations. The Group measures progress of work using input method where outcome can be estimated reliably and performance obligation is satisfied over the time. Under input method, contract revenue is recognized as revenue by reference to the stage of completion as at the reporting date. The stage of completion is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

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

b) Contract balances

- Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.
- Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
- Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

c) Toll Fee

The subsidiary company recognizes toll revenue as and when it collects at transaction price i.e., usage fee which is exclusive of amounts collected on behalf of third parties.

d) Other operating income

- Rental income arising from the renting of machinery given under operating lease is accounted for a straight-line basis over the

lease terms.

- Other operating income represents income earned from the activities incidental to business and is recognized when performance obligation is satisfied and right to receive the income is established as per terms of contract.

e) Other income

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

2.2.10 Borrowing cost

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

2.2.11 Taxes

a) Current income Tax

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

Current tax assets and tax liabilities are offset

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where the group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred Tax

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

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

Deferred tax is recognized in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case 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 group operates ("the functional currency"). The financial statements are presented in Indian rupees which is also the functional and presentation currency of the Group.

- **Transactions and balances**

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

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

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

- **Foreign Operations**

Foreign Operations related to branches that have the functional currency different from the presentation currency are translated into presentation currency for the purpose of standalone financial statements, the assets and liabilities (both monetary and non-monetary) of the Group's foreign branches are translated into Indian Rupees using exchange rates prevailing at the end of reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuate significantly during the period, in which case the exchange rates at the dates of transaction are used. Exchange difference arising, if any, are recognized in other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of foreign operations (on closure of the books of the project), all of the exchange differences accumulated in equity in respect of that operation are reclassified to statement of profit and loss.

2.2.13 Employee benefit

- a) **Short-term employee benefits**

Employee benefits such as salaries, short term compensated absences, and Performance Related Pay (PRP) falling due wholly within

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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 Contributions towards the trust are recognized in the statement of profit and loss for the period when the contributions towards the trust are due.

Defined Benefit Plan: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Group. The Group's liability towards gratuity, provident fund and post-retirement medical benefit are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by a separate trust (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

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valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

2.2.14 Cash and cash equivalents

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

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

2.2.15 Dividend

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

2.2.16 Provisions, contingent assets and contingent liabilities

Provisions

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

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

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

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.

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.

Contingent assets

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

2.2.17 Service concession arrangement

a) Financial asset under service concession arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)

The Group recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of

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the grantor (“NHAI”) for the construction services and Operation & Maintenance services). Such financial assets are initially measured at fair value i.e. present value and subsequently at amortized cost using the Effective Interest Rate (EIR) method. Under this method, financial asset will be increased for the financing element and reduced as and when money is received from grantor. Group combine the two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if contracts are negotiated as a package with a single commercial objective or amount of consideration to be paid in one contract depends on the price or performance of the other contract or goods or services promised in the contracts are single performance obligation.

b) Intangible asset under service concession arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)

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

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

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognised and classified as “Intangible Assets” in accordance with Appendix C to Ind AS 115 – Service Concession Arrangements.

Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised

and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the Group receives the completion certificate from the authority as specified in the Concession Agreement.

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

Service Concession Arrangements that meet the definition of an Intangible Asset are recognised at cumulative construction cost till completion of construction of the project.

The estimated useful life of an intangible asset in a service concession arrangement is the period from where the Group is able to charge the public for use of infrastructure to the end of the concession period.

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

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

The carrying value of intangible asset is reviewed for impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.2.18 Leases

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

a) Group as a lessee

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

i) Right-of-use assets

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The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

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

ii) Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying

amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities.

iii) Short term lease and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be 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.

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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 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

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- 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 impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

- Debt instruments measured at FVTOCI: For debt instruments measured at 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 recognized in the statement of profit and loss.

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

- **Financial liabilities at fair value through profit or loss**

The Group has not designated any financial liabilities at FVTPL.

- **Financial liabilities at amortized cost**

Loans, borrowings, trade payables and other financial liabilities

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

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acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

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

c) Financial guarantee contracts

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

d) Reclassification of financial assets

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

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the 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

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determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

2.2.21 Non – current asset held for sale

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

If the criteria stated by IND AS 105 "Non-current Assets Held for Sale" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale. The depreciation reversal adjustment related property, plant and equipment, investment property and intangible assets is charged to statement of profit and loss

in the period when non-current assets held for sale criteria are no longer met.

2.2.22 Prior Period Adjustment

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

2.2.23 Significant accounting estimates and judgments

The estimates used in the preparation of the said financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the period in which they become known.

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

a. Allowances for uncollected trade receivables

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

b. Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial

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valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Contingencies

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

d. Impairment of financial assets

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

e. Taxes

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

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses

can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f. Impairment of non-financial assets

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

g. Non-current asset held for sale

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

h. Leases-Estimating the incremental borrowing rate

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

Determining the lease term of contracts with renewal and termination options – Group as lessee

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

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change

in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

i. Revenue recognition

The Group's revenue recognition policy is central to how the Group values the work it has carried out in each financial year.

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

There are several long term and complex projects where the Group has incorporated significant judgments over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract:

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviews at each reporting date and adjust to reflect the current best estimates

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

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3. Property, Plant and Equipment

(₹ in crore)

Particulars	Freehold Land	Lease hold Land	Freehold Buildings/Flats-Residential	Freehold Buildings/Flats-Non-Res.	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Foot Notes												
Gross Carrying Amount (At Cost)								(ii)	(i)			
As at 1 April 2020	42.69	36.89	6.36	61.67	187.28	1.95	6.76	4.76	3.98	2.87	2.96	358.17
Additions	-	-	-	1.43	0.40	0.01	0.88	0.45	1.13	0.03	-	4.33
Disposals/Adjustments	-	-	-	(0.14)	(5.15)	(0.21)	(0.24)	(0.32)	(0.12)	-	0.70	(5.48)
Transfer to Assets held for sale	-	-	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Exchange (Gain) / Loss (iv)	-	-	-	0.06	(2.04)	(0.01)	(0.01)	(0.02)	(0.03)	(0.03)	(0.08)	(2.16)
As at 31 March 2021	42.69	36.89	6.36	63.02	180.48	1.74	7.39	4.87	4.96	2.87	3.58	354.85
Additions	-	-	-	-	13.39	1.04	0.75	0.38	1.20	0.15	-	16.91
Disposals/Adjustments	-	-	-	-	(0.28)	-	(0.42)	(0.10)	(0.11)	-	-	(0.91)
Transfer to Investment Property (Refer Note-iii)	-	(36.89)	-	(19.40)	-	-	-	-	-	-	-	(56.29)
Transfer to Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss (iv)	-	-	-	0.19	0.35	-	(0.02)	0.03	0.01	-	0.06	0.62
As at 31 March 2022	42.69	-	6.36	43.81	193.94	2.78	7.70	5.18	6.06	3.02	3.64	315.18
Depreciation and Impairment												
As at 1 April 2020	-	-	3.54	15.47	51.42	0.56	3.96	2.55	1.48	2.19	1.17	82.34
Depreciation charge for the year	-	-	0.10	3.20	11.89	0.19	1.17	0.62	0.39	0.38	0.47	18.41
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(3.77)	(0.11)	(0.26)	(0.26)	(0.07)	-	0.07	(4.40)
Transfer to Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss (iv)	-	-	-	0.02	(1.39)	-	(0.01)	(0.02)	(0.02)	(0.02)	(0.04)	(1.48)
As at 31 March 2021	-	-	3.64	18.69	58.15	0.64	4.86	2.89	1.78	2.55	1.67	94.87
Depreciation charge for the year	-	-	0.10	2.99	11.36	0.17	1.09	0.58	0.51	0.12	0.38	17.30
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(0.10)	-	(0.35)	(0.07)	(0.05)	-	-	(0.57)
Transfer to Investment Property (Refer Note-iii)	-	-	-	(1.85)	-	-	-	-	-	-	-	(1.85)
Transfer to Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Exchange (Gain) / Loss (iv)	-	-	-	0.09	0.30	-	(0.01)	0.01	-	-	0.03	0.42
As at 31 March 2022	-	-	3.74	19.92	69.71	0.81	5.59	3.41	2.24	2.67	2.08	110.17
Net Book Value												
At 31 March 2022	42.69	-	2.62	23.89	124.23	1.97	2.11	1.77	3.82	0.35	1.56	205.01
At 31 March 2021	42.69	36.89	2.72	44.33	122.33	1.10	2.53	1.98	3.18	0.32	1.91	259.98

Foot Notes:-

- i) Furniture & Fixtures includes Furnishings also.
- ii) Office Equipment includes Electrical Appliances and Air Conditioners, the life of such item is considered as 10 years and 5 years respectively.
- iii) Property situated at Noida, Sector-1 transferred from PPE to Investment Property.
- 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 2022

4. Capital Work in Progress

(₹ in crore)

Particulars	Amount
As at 1 April 2020	2.97
Additions (subsequent expenditure)	0.60
Capitalised during the year	(0.40)
As at 31 March 2021	3.17
Additions (subsequent expenditure)	8.32
Adjustments	(4.45)
Impairment	(0.75)
Capitalised during the year	(0.27)
As at 31 March 2022	6.02
Net Book Value	
As at 31 March 2022	6.02
As at 31 March 2021	3.17

(i) Ageing of Capital Work in Progress

The Ageing Schedule of Capital Work in Progress for the year ended as at 31st March 2022 and March 2021 is as follows:

Particulars	Amount in Capital Work in Progress for a period of				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at March 31, 2022					
Projects in progress (Refer note v)	6.02	-	-	-	6.02
Projects temporarily suspended	-	-	-	-	-
	6.02	-	-	-	6.02
As at March 31, 2021					
Projects in progress (Refer note iv)	-	0.27	-	2.90	3.17
Projects temporarily suspended	-	-	-	-	-
	-	0.27	-	2.90	3.17

(ii) There are no projects where activity has been suspended.

(iii) There are no projects as at 31st March 2022 & 31st March 2021 which has exceeded its cost or completion is overdue.

(iv) Includes Track Machines under development.

(v) Includes 500 MW Solar Plant under construction.

5. Investment Property

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
As at 1 April 2020	290.31	0.57	128.38	2.23	65.82	-	3.04	490.35
Additions (subsequent expenditure)*	-	-	-	-	30.49	-	-	30.49
Derecognised during the year	-	-	(1.57)	-	-	-	-	(1.57)
Capitalised during the year	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
Transferred to Property, Plant and Equipment (Refer foot note (iv))	-	-	-	-	-	-	-	-
As at 31 March 2021	290.31	0.57	126.81	2.23	96.31	-	3.04	519.27
Additions (subsequent expenditure)*	-	-	-	-	0.07	-	-	0.07
Derecognised during the year	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	(96.38)	96.38	-	-
Transferred from Property, Plant and Equipment (Refer foot note (iv))	36.89	-	19.40	-	-	-	-	56.29
As at 31 March 2022	327.20	0.57	146.21	2.23	-	96.38	3.04	575.63
Depreciation and Impairment								
As at 1 April 2020	-	-	1.06	-	-	-	0.27	1.33
Depreciation during the year	-	-	6.89	-	-	-	0.04	6.93
As at 31 March 2021	-	-	7.95	-	-	-	0.31	8.26
Depreciation during the year	-	-	7.01	-	-	3.28	0.05	10.34
Transferred from Property, Plant and Equipment	-	-	1.85	-	-	-	-	1.85
As at 31 March 2022	-	-	16.81	-	-	3.28	0.36	20.45
Net Block								
at 31 March 2022	327.20	0.57	129.40	2.23	-	93.10	2.68	555.18
at 31 March 2021	290.31	0.57	118.86	2.23	96.31	-	2.73	511.01

Information regarding income and expenditure of Investment property

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Rental income derived from investment properties	0.54	0.41
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	0.01	0.01
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year	-	-
Profit arising from investment properties before depreciation and indirect expenses	0.53	0.40
Less: Depreciation during the year	(0.27)	(0.04)
Profit arising from investment properties before indirect expenses	0.26	0.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Reconciliation of fair value

(₹ in crore)

Particulars	Noida			Gurugram			Bangalore	Total
	Land	Capital work in progress	Building	Land	Capital work in progress	Building	Building	
As at 1 April 2020	228.47	0.57	128.02	125.16	66.19	-	7.09	555.50
Addition during the year	-	-	-	-	30.49	-	-	30.49
Derecognised during the year	-	-	(1.57)	-	-	-	-	(1.57)
Fair value difference for the year	(11.15)	(0.57)	(9.66)	(6.68)	(9.31)	-	0.78	(36.59)
As at 31 March 2021	217.32	-	116.79	118.48	87.37	-	7.87	547.83
Addition during the year	-	-	-	-	0.07	-	-	0.07
Derecognised during the year	-	-	-	-	-	-	-	-
Transferred from Property, Plant and Equipment (Refer foot note (iv))	25.02	-	16.59	-	-	-	-	41.61
Capitalised during the year	-	-	-	-	(87.44)	87.44	-	-
Fair value difference for the year	5.89	-	3.32	3.34	-	2.69	1.49	16.72
As at 31 March 2022	248.23	-	136.70	121.82	-	90.13	9.36	606.23
Note:-								
Investment Property self constructed	248.23	-	136.70	121.82	-	90.13	9.36	606.23
	248.23	-	136.70	121.82	-	90.13	9.36	606.23

- (i) These valuations are based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 applying valuation model acceptable internationally. Fair Values are based on cost & income/cost/market value approach. As per assumption made by valuer, GST has not been considered for valuation purpose.
- (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.
- (iv) Property situated at Noida Sector-1 transferred from PPE to Investment Property.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(v) *Detail of Additions (subsequent expenditure)

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
	Capital work in progress Gurugram	Capital work in progress Gurugram
- Work Expenses	(0.20)	26.84
- Consultancy Charges	0.22	0.34
- Salary & Wages	0.02	0.70
- Rates & Taxes	-	0.01
- Vehicle Operation and Maintenance	-	0.05
- Power, Electricity and Water charges	0.03	2.38
- Advertisement & Publicity	-	0.01
- Tour & Travelling	-	0.01
- Misc. Operating Exp.	-	0.15
Total	0.07	30.49

6. Intangible Assets

(₹ in crore)

Particulars	Intangibles (Software/ Lease Rights/Toll Road)			
	Software	Lease Rights	Toll Road	Total
Gross Block				
As at 1 April 2020	2.11	72.34	1,247.94	1,322.39
Addition during the year	0.02	-	1.88	1.90
Sales / adjustment during the year	-	-	(0.84)	(0.84)
As at 31 March 2021	2.13	72.34	1,248.98	1,323.45
Addition during the year	0.42	-	-	0.42
Sales / adjustment during the year	0.01	-	-	0.01
As at 31 March 2022	2.56	72.34	1,248.98	1,323.88
Amortisation and Impairment				
As at 1 April 2020	1.72	7.30	101.75	110.76
Amortisation during the year	0.16	1.65	64.57	66.38
Sales / adjustment during the year	-	-	(0.08)	(0.08)
As at 31 March 2021	1.88	8.95	166.23	177.06
Amortisation during the year	0.23	1.64	64.54	66.41
Sales/adjustment during the year	-	-	0.01	0.01
As at 31 March 2022	2.11	10.59	230.78	243.48
Net book value				
At 31 March 2022	0.45	61.75	1,018.20	1,080.40
At 31 March 2021	0.25	63.39	1,082.75	1,146.39

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Railways and the company has construct the buildings on the same and having lease rights (commercial Rights) of 45 years from the date of commencement of MFC. The Lease Rights has been amortised over the lease period from the date in which the concerned project comes into commercial operations on prorata basis. The amount amortised during the year amounts to ₹ 1.64 crore (F.Y 2020-21 ₹ 1.65 crore)

Toll Road :- Toll Road also includes value of IT Infrastructure Software along with some small movable assets essential for the toll road and bundled with the EPC works of the Toll Road. The same is not separately quantifiable and is an integral part of the Asset.

7. Intangible Assets under Development

(₹ in crore)

Particulars	Intangible assets under development		
	Software	Toll Road	Total
Gross Block			
As at 1 April 2020	9.79	16.94	26.73
Addition during the year	-	0.01	0.01
Capitalisation during the year	-	(1.88)	(1.88)
Sales / adjustment during the year	-	(15.07)	(15.07)
As at 31 March 2021	9.79	-	9.79
Addition during the year	-	20.69	20.69
Capitalisation during the year	-	-	-
Sales / adjustment during the year	-	-	-
As at 31 March 2022	9.79	20.69	30.48
Amortisation and Impairment			
As at 1 April 2020	-	-	-
Amortisation during the year	-	-	-
Impairment	-	-	-
Sales / adjustment during the year	-	-	-
As at 31 March 2021	-	-	-
Amortisation during the year	-	-	-
Impairment	-	-	-
Sales / adjustment during the year	-	-	-
As at 31 March 2022	-	-	-
Net book value			
As at 31 March 2022	9.79	20.69	30.48
As at 31 March 2021	9.79	-	9.79

Foot Notes:

- Intangible assets under development represents capital expenditure made for acquiring the SAP S4/HANA ERP software and Toll Road.
- The Ageing Schedule of Intangible Assets under Development for the year ended as at 31st March 2022 and March 2021 is as follows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Amount in Intangible Assets under Development for a period of				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at March 31, 2022					
Projects in progress					
SAP S-4 HANA SAP/ERP	-	-	9.79	-	9.79
Toll Road	20.69	-	-	-	20.69
Projects temporarily suspended	-	-	-	-	-
	20.69	-	9.79	-	30.48
As at March 31, 2021					
Projects in progress					
SAP S-4 HANA SAP/ERP	-	9.79	-	-	9.79
Toll Road	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	9.79	-	-	9.79

(iii) In Case of below projects, completion is overdue, total cost approved is ₹ 26.16 Crore and the project is expected to be completed as below:

(₹ in crore)

Particulars	Amount in Intangible Assets under Development for a period of				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress					
SAP S-4 HANA SAP/ERP	14.18	2.18	-	-	16.36
Projects temporarily suspended	-	-	-	-	-
	14.18	2.18	-	-	16.36

8. Right-of-use Assets

(₹ in crore)

Particulars	Land (ii)	Building (i)	Vehicles	Total
Gross Block				
As at 1st April 2020	1.25	5.21	0.04	6.50
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2021	1.25	5.21	0.04	6.50
Addition during the year	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2022	1.25	5.21	0.04	6.50
Depreciation and Impairment				
As at 1st April 2020	0.07	1.24	0.02	1.33
Depreciation during the year	0.04	0.31	0.02	0.37
Impairment	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2021	0.11	1.55	0.04	1.70
Depreciation during the year	0.05	0.32	-	0.37
Impairment	-	-	-	-
Disposals / adjustment during the year	-	-	-	-
As at 31st March, 2022	0.16	1.87	0.04	2.07
Net Book Value				
At 31st March, 2022	1.09	3.34	-	4.43
At 31st March, 2021	1.14	3.66	-	4.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Foot Notes:

- i) Includes lease hold building on Railways land for 30 years lease at San Martin Marg, New Delhi; Pali Hill, Mumbai & Metro Railway Service Building, Kolkata for which agreement is yet to be finalised.
- ii) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value ₹ 0.76 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- iii) Title deeds of immovable properties not held in name of the holding company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company (also indicate if in dispute)
Right To Use Building Residential - Lease Asset	Pali Hill, Bandra Flat No. 401 Mumbai	0.21	Western Railway	No	14-08-2002	Flats are constructed on Railway Land and has been leased to holding company by respective Zonal Railway for a period of 30 years based on instruction issued in this regard.
Right To Use Building Residential - Lease Asset	Flats at St. Martin, New Delhi	2.26	Northern Railway	No	16-09-2004	
Right To Use Building Non Resi. - Lease Asset	Metro Rail Service Building, Kolkatta	0.75	Metro Rail, Kolkata	No	03-03-2000	Office accomodation constructed by Metro Railway, Kolkata on Railway Land and has been leased out to holding company for a period of 30 years as per instruction issued in this regard.

9. Investments accounted for using the equity method

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Investments in Equity Instruments (fully paid-up, unquoted, using Equity Method)		
Joint Venture Companies		
Ircon-Soma Tollway Private Limited 6,38,70,000 equity shares of ₹ 10 each (31 March 2021 : 6,38,70,000) (Refer foot note (i))	90.40	87.00
Indian Railway Stations Development Corporation Limited 5,19,99,699 equity shares of ₹ 10 each (31 March 2021 : 5,19,99,699) (Refer foot note (ii))	57.34	62.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	As at 31 st March 2022	As at 31 st March 2021
Bastar Railway Private Limited 7,63,37,300 equity shares of ₹10 each (31 March 2021 : 7,63,37,300)	76.37	76.60
Jharkhand Central Railway Limited 1,30,00,000 equity shares of ₹10 each (31 March 2021 : 1,30,00,000) (Refer foot note (iii))	63.94	63.64
Mahanadi Coal Railway Limited 2,60,00,000 equity shares of ₹ 10 each (31 March 2021 : 13,000) (Refer foot note (iv))	25.76	-
Chhattisgarh East Railway Limited 19,78,55,700 equity shares of ₹10 each (31 March 2021 : 14,25,75,700) (Refer foot note (v))	224.92	138.18
Chhattisgarh East-West Railway Limited 15,71,70,000 equity shares of ₹10 each (31 March 2021 : 13,11,70,000)	156.84	130.91
Total	695.57	558.89
Aggregate Book Value of Unquoted Investments	695.57	558.89
Aggregate amount of Impairment in Value of Investments	-	-

Foot Notes:-

- (i) 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.
- (ii) The Board of Directors of Indian Railway Stations Development Corporation Limited (IRSDC), a Joint Venture Company, in its meeting held on 29th September, 2020 has approved participation of Rites limited as third strategic partner / shareholder with consequent revision in the shareholding pattern among RLDA, IRCON and RITES in the ratio of 50:26:24 respectively. The JV partners agreed to RITES participation in IRSDC for a consideration at the face value of 24% equity stake. Based on the correspondence with IRSDC and RITES during the year, the group has recognised a loss of ₹ **5.11 crore** for dilution of equity stake from 50% to 26%.

Indian Railway Station Development Corporation Limited (IRSDC) has received a letter from Ministry of Railway dated 18.10.2021 for closure of business and transfer /hand over of its business /assets. Accordingly, all assets and liabilities as on 31.03.2022 are to be transferred to RLDA/MoR on slump sale basis for a consideration not less than the book value as approved in the 55th BOD meeting held on 05.05.2022. Till such time, the slump sale is approved by competent authority i.e. IRSDC/RLDA/MoR, the group continues to apply equity method for investment in IRSDC.
- (iii) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹50 crore in favour of Jharkhand Central Railway Limited. The loan will repaid only on winding up of the Project or end of concession period which ever is later.
- (iv) The Group had unrecognised share of losses in respect of Mahanadi Coal Railway Limited (a Joint Venture Company) amounting to ₹0.22 crore till FY 2020-21 which has been recognised in the current year due to further equity contribution in Mahanadi Coal Railway Limited.
- (v) The Board of Directors of Ircon International Limited have approved Interest Free Advance, of ₹15.60 crore in favour of Chhattisgarh East Railway Limited (CERL). The loan will repaid only on winding up of the Project or end of concession period which ever is later.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

10. Non-Current Assets - Non-Current Financial Assets

10.1 Non-Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Investment in Bonds (Quoted, at Amortised cost)		
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each (31 March 2021 : 500)	-	49.99
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of ₹1,000 each (31 March 2021 : 5,00,000)	50.00	50.00
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹10,00,000 each (31 March 2021 : 500)	49.98	49.97
7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of ₹10,00,000 each (31 March 2021 : 250)	25.00	25.00
7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of ₹1,000 each (31 March 2021 : 3,02,000)	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of ₹1,000 each (31 March 2021 : 1,99,989)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of ₹10,00,000 each (31 March 2021 : 500)	50.00	49.99
Total	225.18	275.15
Aggregate Book Value of Quoted Investments	225.18	275.15
Aggregate Market Value of Quoted Investments	252.66	325.96
Aggregate Book Value of Unquoted Investments	-	-
Aggregate amount of Impairment in Value of Investments	-	-

10.2 Non-Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
A. Considered Good : Secured		
Staff Loans and Advances	0.07	0.13
B. Considered Good : Unsecured		
(i) Loans to Related Parties:	-	-
(ii) Others:		
Staff Loans & Advances	0.43	0.35
Total	0.50	0.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Foot Note:

(₹ in crore)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans [^]	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans [^]
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	-	-	-	-
Total	-	-	-	-

* represents loan or advance in the nature of loan

[^] represents percentage to the total Loans and Advances in the nature of loans

10.3 Non-Current Assets - Other Financial Assets

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Considered Good : Unsecured Security Deposits		
- Government Departments	0.01	0.01
- Others	0.53	0.60
Contract Asset:		
- Retention Money with Client	2.61	57.27
- Money Withheld by Client	-	1.22
- Construction cost incurred in terms of SCA {Refer foot note (i)}	1,266.92	793.69
Fixed Deposits having remaining maturity of more than 12 months {Refer foot note (ii)}	0.01	0.01
Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee) {Refer foot note (iii)}	2.90	0.01
Interest Accrued on Advances to Staff {Refer foot note (iv)}	0.25	0.35
Recoverable from Rail Land Development Authority (RLDA) {Refer foot Note (v)}	630.31	1,245.61
Less : Loan From Indian Railway Finance Corporation (IRFC) {Refer Note 20.1 (i) B}	<u>(615.31)</u>	<u>(1,230.61)</u>
Total	1,288.23	868.16

Foot Notes:-

- (i) Construction Cost pertains to the Highway being made by the group under Hybrid Annuity Model (HAM).
- (ii) Includes FDRs under Lien for ₹0.01 crore (₹ 0.01 crore)
- (iii) ₹2.90 crore as on 31st March 2022 (31st March 2021 ₹ 0.01 crore) represents fixed deposit pledged to Statutory Authorities/against 100% margin for BG issued to Ministry of External Affairs for Myanmar Road Project (FDR pledged to Statutory Authorities) in case of Iacon Infrastructure & Services Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(iv) Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total	-	-

(v) The Group has raised a loan from Indian Railway Finance Corporation (“IRFC”) (Refer note 20.1) which in turn have been paid to Railway Land Development Authority (“RLDA”) in terms of lease agreement. As per the Memorandum of understanding (“MOU”) entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group, at least five (5) days prior to their respective due date under the Loan Agreement, into such account as maybe designated by IRFC. RLDA and Ministry of railways (“MoR”) shall mutually enter into appropriate arrangements for corresponding disbursement of funds from MoR to RLDA. The terms and conditions of this recoverable amount is same as in the case of the said loan.

Further under MOU, RLDA has transferred the leasehold rights in the Project site at Bandra East in favour of the Group, together with the rights to undertake commercial development thereon. The Group shall be entitled to appoint appropriate developer(s) through open, competitive and transparent bid process for the purposes of undertaking the commercial development of the Project Site, and for the purposes thereof further sub-lease the Project Site (together with all associated Development Rights) to the developers so identified by the Group.

11. Deferred Tax Assets and Income Tax

Disclosure pursuant to Ind AS 12 “Income Taxes”

(a) The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2022	31 st March 2021
1	Profit and Loss Section		
	Current income tax :		
	Current income tax charge	186.15	148.94
	Adjustment in respect of current tax of previous year	(87.73)	17.87
	Deferred tax :		
	Relating to origination and reversal of temporary differences	(2.04)	19.65
	Income tax expense reported in the Profit and Loss section	96.38	186.46
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	(0.20)	(0.10)
	Net loss/(gain) on foreign operation translation	1.56	(0.30)
	Income tax expense reported in the OCI section	1.36	(0.40)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

(₹ in crore)

S. No.	Particulars	For the Year ended	
		31 st March 2022	31 st March 2021
1	Accounting profit before income tax	694.06	575.91
2	Tax on Accounting profit	179.73	148.50
3	Effect of Tax Adjustments:		
	(i) Adjustments in respect of current income tax of previous years	(87.60)	(0.39)
	(ii) Utilisation of previously unrecognised tax losses	-	-
	(iii) Impact of Rate Difference	-	-
	(iv) Tax on Income exempt from tax	(20.07)	(5.93)
	(v) Non-deductible expenses for tax purposes:		
	- Other country additional tax	20.82	32.08
	- Other non-deductible expenses	4.86	3.24
	(vi) Tax effect of various other items	-	8.56
4	Income tax expense reported in the Statement of Profit and Loss	97.74	186.06
5	Effective Tax Rate	14.08%	32.31%

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

(₹ in crore)

S. No.	Particulars	Balance sheet		Statement of Profit and Loss	
		31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(139.76)	(155.91)	(16.15)	34.22
2	Provisions	66.27	74.46	8.19	1.19
3	Items disallowed u/s 43B of Income Tax Act, 1961	0.01	0.01	-	0.03
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	29.08	26.33	(2.75)	3.60
5	Business Losses	112.68	121.19	8.51	(19.62)
6	Preliminary Expenses and Others	4.25	4.41	0.16	0.23
	Net deferred tax assets/ (liabilities)	72.53	70.49	(2.04)	19.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(d) Reflected in the balance sheet as follows:

(₹ in crore)

S. No.	Particulars	31 st March 2022	31 st March 2021
1	Deferred tax assets	212.29	226.40
2	Deferred tax liability	(139.76)	(155.91)
	Deferred Tax Asset/(Liabilities) (Net)	72.53	70.49

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

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

As at 31 March 2022

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2021 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31 st March, 2022 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(155.91)	16.15	-	(139.76)
2	Provisions	74.46	(8.19)	-	66.27
3	Items disallowed u/s 43B of Income Tax Act, 1961	0.01	-	-	0.01
4	Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	26.33	2.75	-	29.08
5	Business Losses	121.19	(8.51)	-	112.68
6	Preliminary Expenses and Others	4.41	(0.16)	-	4.25
	Net deferred tax assets / (liabilities)	70.49	2.04	-	72.53

As at 31 March 2021

(₹ in crore)

S. No.	Particulars	Balance As at 1 st April 2020 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31 st March, 2021 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(121.69)	(34.22)	-	(155.91)
2	Provisions	75.65	(1.19)	-	74.46
3	Items disallowed u/s 43B of Income Tax Act, 1961	0.04	(0.03)	-	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Particulars	Balance As at 1 st April 2020 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31 st March, 2021 (Net)
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	(3.60)	-	26.33
5	Business Losses	101.57	19.62	-	121.19
6	Preliminary Expenses and Others	4.64	(0.23)	-	4.41
	Net deferred tax assets / (liabilities)	90.14	(19.65)	-	70.49

12. Other Non-Current Assets

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Considered Good : Unsecured		
Advances Other than Capital Advances		
Advances to Contractors against Material and Machinery	-	28.50
Interest Accrued on :		
- Advances to Contractors, Suppliers & Others	30.00	19.14
Prepaid Expenses	0.03	-
Total	30.03	47.64

13. Inventories

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Raw Material (Valued at Cost or NRV whichever is lower, unless otherwise stated)		
- In Hand	22.75	25.10
- With Third Parties	33.76	44.22
- In Transit	3.31	0.47
Others (Scrap)	0.59	0.82
Construction Work In progress (at Cost)	216.18	50.04
Total	276.59	120.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

14. Current Assets - Current Financial Assets

14.1 Current Financial Assets - Investments

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Investment in Bonds (Quoted, at Amortised cost)		
8.00% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, Nil units of ₹ 1,000 each (31 March 2021 : 163,131)	-	16.31
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of ₹ 10,00,000 each (31 March 2021 : Nil)	50.00	-
Total	50.00	16.31
Aggregate Book Value of Quoted Investments	50.00	16.31
Aggregate Market Value of Quoted Investments	55.23	17.52
Aggregate Book Value of Unquoted Investments	-	-
Aggregate amount of Impairment in Value of Investments	-	-

14.2 Current Financial Assets - Trade Receivables

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Secured, considered good	-	-
Unsecured, considered good (Refer Foot Note (i) & (ii))	706.14	630.77
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	19.59	20.48
Impairment Allowance (allowance for bad and doubtful debts):		
Unsecured, considered good	(10.95)	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	(19.59)	(20.48)
Total	695.19	630.77

Foot Notes:-

- (i) Includes Receivables from related parties ₹ **115.05 crore** (As at 31st March 2021 : ₹ 116.54 crore) and are disclosed in Note 37 (c) 4.1.
- (ii) Trade Receivable of Ircon Infrastructure & Services Limited includes receivables to the tune of ₹ **1.99 crore** (FY 2020-21 ₹ 1.99 crore) which are under dispute.
- (iii) Trade Recievable Ageing Schedule for the year ended as at 31st March 2022 and 31st March 2021

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	296.38	182.62	100.59	39.62	46.45	38.49	704.15
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-	1.99	1.99
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	19.59	19.59
Impairment Allowance	-	296.38	182.62	100.59	39.62	46.45	60.07	725.73 (30.54)
Total	-	296.38	182.62	100.59	39.62	46.45	60.07	695.19

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2021 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	262.36	214.36	26.29	69.42	41.35	35.48	649.26
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-	1.99	1.99
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Impairment Allowance	-	262.36	214.36	26.29	69.42	41.35	37.47	651.25 (20.48)
Total	-	262.36	214.36	26.29	69.42	41.35	37.47	630.77

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

14.3 Current Financial Assets - Cash and Cash equivalents

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Cash in hand		0.10	0.08
Balances with banks:			
– On current accounts	(ii) & (iii)	874.61	170.82
– Flexi Accounts	(i) (ii) & (iii)	282.35	203.48
– Deposits with original maturity of less than 3 months	(i) & (v)	100.89	39.82
Total (Refer Note iv)		1,257.95	414.20

14.4 Current Financial Assets - Other Bank Balances

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Other Bank Balances			
– Deposits with original maturity of more than 3 months but less than 12 months	(i), (v) & (vii)	4,253.35	3,029.31
– Deposits with original maturity of more than 3 months but less than 12 months (Bank Guarantee)	(vi)	-	2.79
– Dividend Distribution Account	(viii)	1.91	0.14
Total		4,255.26	3,032.24

Foot Notes (Note 14.3 and 14.4) : -

- (i) Includes Clients Fund of ₹ **3,291.29 crore** (As at 31st March 2021 : ₹ 2,018.35 crore) on which interest is passed on to them. Also, includes Project Fund against trade payable ₹ **1,010.33 crore** (31st March 2021: ₹ 737.90 crore)
- (ii) Includes ₹ **1.50 crore** (As at 31st March 2021 : ₹ 2.13 crore) balance pertains to ESCROW account which are earmarked funds as per concession agreement entered with NHAI in respect of Ircon PB Tollway Limited.
- (iii) Includes ₹ **1.53 crore** (As at 31st March 2021 : ₹ 6.35 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 Clients Fund of ₹ **32.57 crore** (As at 31st March 2021 : ₹ 30.07 crore) in respect of Ircon Infrastructure & Services Limited on which interest is passed on to them.
- (v) Includes Client fund of ₹ **56.21 crore** (As at 31st March 2021 : ₹ 42.80 crore) in respect of Ircon Infrastructure & Services Limited on which interest is passed on to them.
- (vi) Represents fixed deposit placed against Bank Guarantee issued to Ministry of External Affairs for Myanmar Road Project of Ircon Infrastructure & Services Limited ₹ **Nil** (As at 31st March 2021 : ₹ 2.79 crore).
- (vii) Includes deposits of ₹ **26.46 crore** (As at 31st March 2021 : ₹ 26.46 crore) of Ircon Davanagere Haveri Highway Limited which is under lien with the Punjab National Bank
- (viii) Includes ₹ **1.57 crore** TDS Payble on Interim Dividend paid in 3rd Quarter of FY 2021-22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

14.5 Current Financial Assets - Loans

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
A. Considered Good : Secured		
Staff Loans and Advances	0.08	0.16
B. Considered Good : Unsecured		
Staff Loans & Advances (Refer Foot Note (i))	0.72	0.79
Total	0.80	0.95

Foot Note:

(i) Loan or advances in the nature of Loans granted to related parties:

(₹ in crore)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans [^]	Amount of loan or advance in the nature of loan outstanding*	% of total Loans and Advances in the nature of loans [^]
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	-	-	-	-
Total	-	-	-	-

* represents loan or advance in the nature of loan

[^] represents percentage to the total Loans and Advances in the nature of loans

14.6 Current Assets - Other Financial Assets

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Considered Good : Unsecured			
Security Deposits			
- Government Departments		50.05	12.72
- Others		182.52	132.80
Contract Asset:			
- Billable Revenue / Receivable not due	(i) (a) & (b)	251.87	183.37
- Construction Work in Progress (At realisable value)	(i) (b)	208.47	153.06
- Construction cost incurred in terms of SCA	(ii)	82.86	302.38
- Retention Money with Client	(iii)	119.24	98.82
- Money Withheld by Client	(iii)	319.38	279.76
Earnest Money Deposit		1.66	2.26
Fixed deposits having remaining maturity of less than 12 months		4.30	8.18
Fixed deposits having remaining maturity of less than 12 months (Bank Guarantee)	(iv)	0.27	0.26
Interest Accrued on :			
- Advance to Staff	(v)	0.22	0.25
- Loans to Related Parties		10.06	9.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	Foot Note	As at 31 st March 2022		As at 31 st March 2021	
- Advances to Rail Land Development Authority (RLDA)		109.77		160.72	
Less : Interest Accrued on Loan from Indian Railway Finance Corporation (IRFC)	(vi)	(103.81)	5.96	(156.56)	4.16
- Deposits with Banks			40.19		31.75
- Bonds			17.21		17.82
Share Application Money pending Allotment :					
Indian Railway Stations Development Corporation Limited - 301 equity shares of ₹ 10 each (31 March 2021 : 301)			-		-
Other Recoverable :					
(a) Recoverable from Related Parties (Joint Ventures)					
- International Metro Civil Contractor			3.45		3.70
- Metro Tunnelling Group			1.84		4.64
- Ircon Soma Tollway Private Limited			-		0.02
- Indian Railway Station Development Corporation Limited			1.03		0.96
- IRCON - AFCON JV			0.64		0.68
- Chhattisgarh East Railway Limited			0.22		0.20
- Bastar Railway Private Limited			0.02		0.83
- Mahanadi Coal Railway Limited			1.32		1.82
- Jharkhand Central Railway Limited			0.10		-
- Express Frieght Consortium			1.10		0.51
(b) Recoverable from Rail Land Development Authority (RLDA)		639.95		639.95	
Less : Loan From Indian Railway Finance Corporation (IRFC)	(vi)	(615.31)	24.64	(615.31)	24.64
(c) Claims Recoverable from Clients			43.88		20.64
(d) Advance Lease Rent			16.97		0.18
(e) Interest Recoverable on Financial Asset under SCA			17.70		-
(f) Others			0.89		10.68
Considered Doubtful : Unsecured					
Security Deposits					
- Government Departments			0.12		0.12
- Others			0.17		0.17
Earnest Money Deposit			0.16		0.16
Contract Asset:					
- Retention Money with Client			4.28		5.99
- Money Withheld by Client			2.67		3.16
Recoverable from Ircon Soma Tollway Pvt. Ltd.			0.05		0.05
Recoverable from Rail Land Development Authority (RLDA)			5.81		5.81
Claims Recoverable from Clients			2.26		-
Less : Impairment allowance for doubtful financial assets			(15.52)		(15.46)
Total			1,408.06		1,306.44

Foot Notes:-

- (i) (a) Includes Value of work amounting to ₹ 188.44 crore (As at 31st March 2021 : ₹ 23.22 crore) certified by client, but not billed by reporting date.
- (b) Includes Receivables from related parties ₹ 254.50 crore (As at 31st March 2021 : ₹ 66.30 crore) and are disclosed in Note : 37 (c) 4.2(a)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- (ii) Construction Cost pertains to the Highway being made by the Group under Hybrid Annuity Model (HAM).
- (iii) Includes Receivables from related parties ₹ 5.32 crore (As at 31st March 2021 : ₹ 8.38 crore) and are disclosed in Note : 37 (c) 4.2 (b)
- (iv) Represents ₹ Nil as at 31st March 2022 (₹ 0.26 crore) fixed deposit placed against Bank Guarantee issued to Haryana vishwakarma Skill University in case of Ircon Infrastructure & Services Limited.
- (v) Debts due by officers of the company, firms in which any director is a partner or private company in which any director is a member except JVs and Subsidiaries are ₹ Nil ((31st March 2021 : ₹ Nil).

Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Amount due from directors included in interest accrued on staff loans and advances	-	-
Total	-	-

- (vi) Refer Note 23.1 and 20.1 (i) B (d)

15. Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	70.73	31.28
Current tax Assets (Net)	70.73	31.28

16. Other Current Assets

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Considered Good : Unsecured		
Advances Other than Capital Advances		
Advances to Contractors against Material and Machinery	189.13	384.06
Advances to Contractors, Suppliers and Others	1,039.27	704.96
Advance Recoverable from:		
- Sales Tax (including TDS)	321.17	321.17
Less : Deposited under Protest	(217.05)	(217.05)
- Value Added Tax	79.41	87.75
- Goods & Services Tax	736.10	540.64
- Service Tax Input Credit	0.01	0.01
Security Deposits	41.30	28.72
Interest Accrued on:		
- Deposits & Advances with Contractors, Suppliers & Others	36.89	79.24
- Income Tax Refund	-	0.20
Prepaid Expenses	10.59	7.90
Defferred CSR Expenditures	-	7.12
Fair Valuation Adjustment	-	0.01
Others	0.01	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	As at 31 st March 2022	As at 31 st March 2021
Considered Doubtful : Unsecured		
Advances to Contractors, Suppliers and Others	16.99	16.99
Sales Tax (including TDS)	35.04	35.04
Value Added Tax	9.88	7.18
Less: Impairment allowance for doubtful advances	(61.91)	(59.21)
Total	2,236.83	1,944.74

17. Assets held for sale

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Assets held for sale	(i) and (ii)	1.39	0.45
Total		1.39	0.45

Foot Note:

- (i) Property, Plant & Equipment beyond economic repair and / or held for disposal (at lower of the realizable value and book value) : -

(₹ in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As at 31 March 2022		As at 31 March 2021	
					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 2023	-	Domestic : PMD Division	0.78	0.04	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 2023	-	Domestic	0.19	0.01	0.19	0.01
Malaysia Region	Locomotives - 2 No. (4 No.)	Open Tender	2.40	International	0.08	0.08	0.08	0.08
	Nil No. (2 No.) of Hopper wagons & Nil No. (2 No.) of Coaches	Open Tender	-	International	-	-	0.02	0.02

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For The Year Ended 31st March 2022

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss) / Gain on sale of non current assets	Segment	As at 31 March 2022		As at 31 March 2021	
					Gross Block	Net Block	Gross Block	Net Block
	Nil No. (1 No.) of Elect. Cahin Hoist System	Open Tender	-	International	-	-	0.01	0.01
Ircon Infrastructure and Services Limited	Plant and Machinery	Through e-auction with expected time of disposal by end of year 2023	-	Domestic	1.12	1.12	-	-
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	-	0.03	-
Furniture & fixtures								
Malaysia Region	79 Items of Furnitures	Limited Tender	-	International	0.01	-	0.01	-
Freehold Building - Residential								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.19	0.14	0.38	0.28
Total					2.40	1.39	1.50	0.45

(ii) Property Plant & Equipment classified as Held for Sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification. Accordingly, impairment loss of ₹ Nil (March 2021 : ₹ 0.003 crore) has been provided for.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

18. Equity Share Capital

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Authorised Share Capital		
200,00,00,000 Equity shares of ₹ 2 each (Refer Note 18(f)) (200,00,00,000 Equity shares of ₹ 2 each as at 31 st March 2021)	400.00	400.00
	400.00	400.00
Issued/Subscribed and Paid up Capital		
94,05,15,710 Equity shares of ₹ 2 each-fully paid (Refer Note 18 (f)) (47,02,57,870 Equity shares of ₹ 2 each-fully paid as at 31 st March 2021) (Refer Note 18 (g))	188.10	94.05
	188.10	94.05

(a) Details of Shareholders holding more than 5% of fully paid-up equity shares:

S. No.	Name of the shareholder	As at 31 st March 2022		As at 31 st March 2021	
		No. of Share	% holding in the class	No. of Share	% holding in the class
1	Government of India in the name of the President of India and Government nominees (Refer note 18 (f))	68,83,01,650	73.18%	34,41,50,825	73.18%

(b) Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31 st March 2022	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2018	As at 31 st March 2017
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share
Equity shares allotted other than cash	-	-	-	-	-	-
Equity shares issued as bonus shares	47,02,57,870	-	-	-	-	7,91,84,000
Equity shares Buy Back	-	-	-	-	49,28,426	-
Total	47,02,57,870	-	-	-	49,28,426	7,91,84,000

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(c) Terms / Rights attached to Equity Shares :

(i) Voting

The Group has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity share is entitled to one vote per share.

(ii) Liquidation

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Dividend

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(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 2022		As at 31 st March 2021	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	47,02,57,870	94.05	9,40,51,574	94.05
Add: Increase in the number of Shares on account of issue of bonus shares (Refer Note 18 (g))	47,02,57,870	94.05	-	-
Add: Increase in the number of Shares on account of Share Split (Refer Note 18 (f))	-	-	37,62,06,296	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	94,05,15,740	188.10	47,02,57,870	94.05

(e) Details of shares held by promoters/promoter group

S. No.	Promoter Name	Shares held by Promoter as at 31 st March, 2022			Shares held by Promoter as at 31 st March, 2021		
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
1	Government of India in the name of the President of India and Government nominees	68,83,01,650	73.18%	-	34,41,50,825	73.18%	17.94%

(f) The shareholders through postal Ballot on 22nd March, 2020 have approved:

- 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.
- Amended the Capital Clause in the Memorandum of Association of the Holding Company.

(g) The Board of Directors of Ircon International Limited in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of ₹ 2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Group is ₹ 188,10,31,480 divided into 94,05,15,740 equity shares of ₹ 2/- each.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

19. Other Equity

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Retained Earnings	1,188.40	1,024.61
General Reserve	3,284.64	3,284.64
Capital Redemption Reserve	4.93	4.93
Other Comprehensive Income	(0.45)	(5.10)
Total	4,477.52	4,309.08

i) Movement as per below:

(a) Retained Earnings

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	1,024.61	791.85
Transfer from surplus in statement of profit and loss	592.34	391.06
Dividend declared and paid during the year	(159.89)	(96.87)
Interim Dividend	(174.00)	(61.13)
Issue of Bonus Shares	(94.05)	-
Re-measurement of defined benefit plans (net of tax)	(0.60)	(0.30)
Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax)	(0.01)	-
Closing Balance	1,188.40	1,024.61

(b) General Reserve

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening and Closing Balance	3,284.64	3,284.64

(c) Capital Redemption Reserve

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening and Closing Balance	4.93	4.93

(d) Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	(5.10)	(4.19)
Foreign Currency Translation (net of tax) during the year	4.65	(0.91)
Closing Balance	(0.45)	(5.10)
Grand Total (a+b+c+d)	4,477.52	4,309.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

ii) Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Group.

(b) General Reserve

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

(c) Capital Redemption Reserve

The Holding Company has created Capital Redemption Reserve out of the profits after Buy Back of shares on 26th December 2017.

(d) Other Comprehensive Income

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

iii) Dividend Distribution

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
<u>Cash dividends on equity shares declared / paid:</u>		
Final Dividend of FY 2020-21 paid during 2021-22: ₹ 1.70 per share (Paid during FY 2020-21: ₹ 1.03 per share)	159.89	96.87
Interim dividend paid during 2021-22: ₹ 1.85 per share (FY 2020-21: ₹ 0.65 per share) Re-estimated based on Bonus Issue Refer Note 18 (g)	174.00	61.13
Total	333.89	158.00

iv) Dividends not recognised at the end of the reporting year

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting :		
Dividend for 31 March 2022: ₹ 0.65 per share (31 March 2021: ₹ 1.70 per share) Re-estimated based on Bonus Issue Refer Note 18 (f) and 18 (g)	61.13	159.89
Total	61.13	159.89

19A) Non-Controlling Interest

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	-	-
Share of Equity Share Capital	1.20	-
Share of profit/ (loss) for the year	(0.07)	-
Share of Other Comprehensive Income for the year	-	-
Closing Balance	1.13	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

20. Non-Current Liabilities - Non-Current Financial Liabilities

20.1 Non-Current Financial Liabilities - Borrowings

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Loan From Banks:		
Secured:		
Loan From Punjab National Bank {Refer Foot Note (i) A below}	325.29	312.09
Loan From Bank of Baroda {Refer Foot Note (i) A below}	486.06	-
Loan From Indian Overseas Bank {Refer Foot Note (i) A below}	-	-
Loan From State Bank of India {Refer Foot Note (i) A below}	493.06	-
Loan From Others:		
Unsecured:		
Loan From Indian Railway Finance Corporation (IRFC) {Refer Foot Note (i) B below}	615.31	1,230.61
Less: Recoverable from Rail Land Development Authority (RLDA) {Refer Note 10.3}	(615.31)	(1,230.61)
Total	1,304.41	312.09

Foot Notes:

i) Details of Repayment terms, Rate of Interest and Security disclosure:

A Secured borrowings from banks:

Loan from Punjab National Bank (Pertaining to Ircon Davangere Highway Limited)

Sanction :- ₹502.76 Crore

Terms and Condition:

- Interest rate to be charged on loan shall be at 1 Month MCLR (6.70% - Sep2021)+0.30% i.e. 7.00 % p.a. presently subject to change from time to time.
- Repayment period will be 10 years and 6 months (Starting w.e.f 24.04.2021 and last instalment on 24.07.2021)
- Term loan shall be repaid in 42 Quarterly installments starting from 24th April 2021.
- Interest shall be paid as and when due.
- Term Loan to be backed by unconditional & irrevocable corporate guarantee of holding Company (rated CARE AAA) upto receipt of 1st annuity from NHAI or COD plus 180 days whichever is later

Details of Security:

- First charge by way of hypothecation of all fixed asset/ movable assets of the subsidiary company (Other than project assets; Except those acquired out of the free flow of the company in operation phase) and being informed from time to time to lender.
- First charge on the book debts of the project, Operating cash flow, Receivables, Commission, Revenues of whatsoever nature and wherever arising, Present and future intangibles, goodwill and uncalled capital (Present and future).
- A first charge on projects bank account, including but not limited to the escrow account opened in designated bank, where all cash inflow from the project shall be deposited and proceeds shall be utilised in a manner and priority to be decided by lender and investors.
- Assignment of all group's rights and interest under all the agreement related to project, letter of credit (if any), and guarantee and performance bond provided by any party for any contract related to the project in favor of borrower.
- Substitution agreement executed by authority on behalf of lender for the facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- (f) Assignment of all applicable insurance policies.

There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

Loan From Bank of Baroda (Pertaining to Ircon Vadodara Kim Expressway Limited)

Sanction :- ₹724.12 Crore

Terms and Conditions

- (i) Interest rate to be charged on loan shall be at 1 Year MCLR without Strategic Premium i.e presently 7% p.a payable on Monthly rests.
- (ii) Moratorium of 7 months from the date of COD. Repayment Schedule is Starting w.e.f 28.02.2022 and last installment on 29.02.2032.
- (iii) Term loan shall be repaid in 21 half yearly installments.
- (iv) Interest shall be paid as and when debited.
- (v) Corporate Guarantee of the Promoter i.e. Holding Company (AAA Rated) shall be available till the receipt of 1st annuity from NHAI (till 180 days from COD).

Details of Security:

- (a) A first mortgage and charge in favour of the Lenders/Security Agent for the benefit of the Lenders in a form satisfactory to the Lenders, of all the Borrower's immovable properties, if any both present and future, save and except Project Assets; a first charge in favour of Lender/ Security Agent for the benefit of the Lenders of all the Borrower's moveable properties, both present and future, save and except the Project Assets.
- (b) A first charge on all the Borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets and current assets, both present and future, save and except the Project Assets.
- (c) A first charge on all the bank accounts including but not limited to the Escrow Account opened in a designated bank and DSRA to be established by

the subsidiary company, where all cash flows from the Project shall be deposited, and the sub Account (or any account in substitution thereof) that may be opened in accordance with this agreement and supplementary Escrow Agreement or any other Project Agreement, provided such first charge shall only be to the extent permitted as per the waterfall of priorities prescribed under Escrow Agreement and Concession Agreement;

- (d) A first charge on all revenues and receivables of the Borrower from the Project or Otherwise, Project's book debts, operating cash flows, commissions or revenues of whatever nature, after such revenues and receivables are deposited in the Escrow Account. Provided that such charge as mentioned herein shall arise only after the proceeds and/or realization on any such revenues and receivables are credited to and enters the Escrow Account and thereafter shall only be utilized to the extent permitted as per the waterfall priorities under the Escrow Agreement and Concession Agreement.
- (e) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favor of subsidiary company and insurance policies etc;
- (f) A first charge by way of assignment/agreement in favor of lenders over all the rights, title and interests of the Borrowers related to the Project from all contracts, insurances, licenses in to and under all Project Agreement (including the Concession Agreement) to which the Borrower is party to including contractor guarantees, liquidated damages, letter of credit, performance bond, guarantee and all other contracts relating to the Project, provided such charge shall be limited to and to arise to the extent provided under Substitution Agreement;
- (g) A first charge/assignment/ security interest on company rights` under concession agreement in favor of lenders of all rights, title, interests, benefits, claims, uncalled capital and demands whatsoever of company in any letter of credit, performance bond, guarantee provided by any party to project

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

documents;

(h) A first charge on intangible assets of borrower but not limited to goodwill present and future save and except the Project Assets. Provided that any realization there of shall be credited to the Escrow Account and the charges as aforesaid shall be limited to the extent permissible under the water fall priorities of the Concession Agreement and the Escrow Agreement;

(i) Assignment of all applicable insurance policies

There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

Loan From Indian Overseas Bank (Pertaining to Ircon Gurgaon Rewari Highway Limited)

As on the reporting date, there is no default in the servicing of the term loan or the interest thereto. Further, the subsidiary company has registered the charge on its assets with the Registrar of Companies as required under the loan sanction and as per the provisions of Companies Act 2013. Also subsidiary company has not filed any quarterly return / statements of asset as the same was not required by bank.

Terms and Conditions

(i) The loan is repayable in 21 structured half yearly instalments in 10.5 years starting from 1st April 2024 with the last installment scheduled on 30th September 2034.

(ii) Interest rate shall be at 1 Year MCLR (6.85%)+0.15% Spread i.e 7.00% p.a. presently subject to change from time to time.

(iii) Term Loan is backed by unconditional & irrevocable corporate guarantee of the holding company.

Details of Security:

a) Exclusive charges by way of hypothecation of all Property, Plant and Equipment/ movable assets of the subsidiary company.

b) Exclusive charge on the project's book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital (Present and future);

c) Exclusive charge on projects bank account, including but not limited to the escrow account, where all cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the bank/ investors;

d) Assignment of all subsidiary company's rights and interest under all the agreements related to project, letter of credit(if any), and guarantee and performance bond provided by any party for any contract related to the project in favor of lender;

e) Borrower has to maintain DSRA equivalent to ensuing one half yearly instalment and three month interest payment to be created upfront upon COD in the form of term deposit / BG.

Loan From State Bank of India (Pertaining to Ircon Shivpuri Guna Tollway Limited)

The Subsidiary Company has availed a term loan of ₹501 crore from State Bank of India in March 2022 by Loan agreement dated 17th February 2022.

Terms and Conditions

(i) Term Loan shall be repaid in 11.5 years upto 30.09.2033, in quarterly instalments as per the schedule mentioned in the Loan agreement.

(ii) The Applicable Interest rate is base rate of SBI 3 month MCLR plus spread of 0.25% w.e.f 28.03.2022.

(iii) An unconditional corporate guarantee by the promoter in favour of the Security trustee and an irrevocable and unconditional undertaking from the Promoter, to cover any shortfall in the loan and other conditions as mentioned in the Loan agreement dated 17.02.2022.

Details of Security:

As per clause 12 of the Loan agreement, the securities for the Loan extended are mentioned in brief as under :

(a) first charge on all the Borrower's tangible movable assets pertaining to the Project;

(b) a first charge over all accounts of the Borrower pertaining to the Project including the Escrow Accounts and the sub-accounts (or any account in substitution thereof) or any other bank account that may be opened in accordance with this Agreement;

(c) a first charge on all intangibles assets pertaining to the Project including but not limited to goodwill,

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For The Year Ended 31st March 2022

rights, undertaking and uncalled capital present and future;

(d) Assignment/Charge by way of Security in the following, both present and future:

- (i) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents;
- (ii) the right, title and interest of the Borrower in, to and under all the Clearances;
- (iii) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Borrower pursuant to the Project Documents;
- (iv) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower under all Insurance Contracts pertaining to the Project;

The Subsidiary Company is not at default of either repayment of the loan or interest payment on the loans as on the Balance Sheet Date.

The Subsidiary Company is not required to submit any quarterly statement as per sanctioned terms.

B Unsecured borrowings from Others:

(a) Terms and Conditions of the Unsecured Loan:

The Group has raised a loan from Indian Railway Finance Corporation ("IRFC") of ₹3200 crore as on 28th March 2018 which in turn have been paid to Railway Land Development Authority "RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group. The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019 (Refer Note 10.3 (Foot Note (v))). Companies Act has been complied with for such transactions and the transactions are

not violative of any applicable Act.

(b) Rate of Interest:

- (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.

(d) Offsetting the Loan from IRFC and Recoverable from RLDA

As per para 2.4 of the Memorandum of understanding ("MOU") entered between RLDA and the Group, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Group. Group has a legally enforceable right to set off the loan liability regarding IRFC and recoverable from RLDA as per MOU and have the financial arrangement to settle the loan from IRFC with the proceeds realised from RLDA simultaneously. Accordingly, as per provision of Ind AS-32 amount recoverable from RLDA and loan from IRFC has been offset and the net amount presented in the balance sheet.

- (e) The Group is not at default of either repayment of the loan or interest payment on the loans as on the Balance Sheet Date.

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20.2 Non-Current Financial Liabilities - Lease Liabilities

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Lease Liabilities	0.15	0.15
Total	0.15	0.15

20.3 Non-Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
(A) Micro, Small & Medium Enterprises	-	-
(B) Other than Micro, Small & Medium Enterprises	-	-
(i) Contractor & Suppliers	-	-
Total	-	-

20.4 Non-Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Deposits and Retention Money	522.30	282.72
Amount Payable to Client	-	0.23
Total	522.30	282.95

21. Provisions

(₹ in crore)

Particulars	Foot Note	As at 31 st March 2022	As at 31 st March 2021
Provision for Employee Benefits	21.1	105.92	95.01
Other Provisions	21.2	250.02	214.86
		355.94	309.87
Current		212.66	202.29
Non Current		143.28	107.58

The disclosure of provisions movement as required under the requirements of Ind AS 37 is as follows:

21.1 Provision for Employee Benefits:

- The provisions are created for the purpose of Gratuity, leave encashment, settlement allowance, post retirement medical benefits, performance related pay and leave travel concession.
- Disclosures as per Ind AS 19 'Employee benefits' are provided in Note 36.
- Movement in the carrying value of Provisions for Employee Benefits are provided as below:

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For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Gratuity	Leave Salary*	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Performance Related Pay	Leave Travel Concession	Contribution to PF & Other Funds	Total
As at 01-April-2021	0.04	69.94	1.27	4.72	18.93	0.11	-	95.01
Current	-	8.31	0.16	4.72	18.93	0.02	-	32.14
Non Current	0.04	61.63	1.11	-	-	0.09	-	62.87
Provision made during the year	0.01	9.93	0.15	4.64	18.88	0.01	5.28	38.90
Less: Utilization during the year	-	(10.08)	(0.09)	(4.72)	(10.21)	(0.01)	(2.78)	(27.89)
Less: Write Back during the year	-	(0.13)	-	-	(0.01)	-	-	(0.14)
(Exchange Gain) / Loss	-	0.17	(0.13)	-	-	-	-	0.04
As at 31-March-2022	0.05	69.83	1.20	4.64	27.59	0.11	2.50	105.92
Current	-	9.22	0.16	4.64	27.59	0.01	2.50	44.12
Non Current	0.05	60.61	1.04	-	-	0.10	-	61.80

* Includes ₹ 0.61 crore for employees posted on Foreign Projects on which leave salary provision has been made on actual basis.

21.2 Other Provisions:

Disclosures as per Ind AS 37 regarding nature of provisions and movements in provisions are as follows:

a) Demobilisation Provisions

The Group has made provision for demobilisation to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment in respect of foreign projects.

b) Maintenance Provisions

In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.

Item Rate and Lump Sum turnkey contracts, provision is made for maintenance to cover Group's liability during defect liability period keeping into consideration the contractual obligations, obligations of the sub-contractor, operating turnover and other relevant factors. Further, provision for major maintenance is made in line with Maintenance Manual for operating of Toll Road.

c) Legal Cases

Provision for legal cases represents liabilities that are expected to materialise in respect of matters in courts, arbitrations and appeal.

d) Provisions for Other Expenses

Provision for other expenses represents expected tax liabilities in respect of indirect taxes and others.

e) Onerous Contracts

The Group has a contract where total contract cost exceeds the total contract revenue. In such situation as per Ind AS 115 and Ind AS 37, the Group has to provide for these losses. The provision is based on the estimate made by the management.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Demobilisation	Maintenance	Legal Cases	Other Expenses	Onerous Contracts	Total
As at 01-April-2021	13.54	68.81	58.09	74.42	-	214.86
Current	12.46	25.18	58.09	74.42	-	170.15
Non Current	1.08	43.63	-	-	-	44.71
Provision made during the year	0.07	39.01	3.74	17.11	1.57	61.50
Less: Utilization during the year	(0.02)	(1.26)	-	(12.12)	-	(13.40)
Less: Write Back during the year	(0.89)	(12.11)	(2.44)	(0.99)	-	(16.43)
(Exchange Gain) / Loss	0.31	0.24	-	0.96	-	1.51
Unwinding of discount	0.02	1.96	-	-	-	1.98
As at 31-March-2022	13.03	96.65	59.39	79.38	1.57	250.02
Current	11.91	16.29	59.39	79.38	1.57	168.54
Non Current	1.12	80.36	-	-	-	81.48

22. Other Non- Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
a) Contract Liability		
Advance from Clients	52.56	333.50
b) Others		
Upfront Amount from Sub - leasing of MFCs	31.17	31.46
Others	1.10	-
Total	84.83	364.96

23. Current Liabilities - Current Financial Liabilities

23.1 Borrowings

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Current Maturities of Long-Term Debt :		
(i) Loan From Banks:		
Secured:		
(a) Loan From Punjab National Bank (Refer Foot Note (ii))	18.84	18.84
(b) Loan From Bank of Baroda (Refer Foot Note (ii))	68.96	-
(c) Loan From State Bank of India (Refer Foot Note (ii))	6.80	-
(ii) Loan From Others:		
Unsecured:		
(a) Loan From Indian Railway Finance Corporation	615.31	615.31
Less : Recoverable from Rail Land Development Authority (Refer Foot Note (i))	<u>(615.31)</u>	<u>(615.31)</u>
Total	94.60	18.84

Foot Notes:

- (i) Refer Note 14.6 and 20.1 (i) B (d)
- (ii) Refer Note 20.1 (i) A

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

23.2 Current Financial Liabilities - Lease Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Lease Liabilities	0.01	0.01
Total	0.01	0.01

23.3 Current Financial Liabilities - Trade Payables

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
(A) Micro, Small & Medium Enterprises	5.10	14.77
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	1,021.12	743.25
Total	1,026.22	758.02

Foot Notes:

- Disclosures as required under Companies Act, 2013 / Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 45.
- Trade payables Ageing Schedule for the year ended as at 31st March, 2022 and 31st March 2021.

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2022 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	2.92	0.24	1.94	-	-	-	5.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	753.52	29.89	215.32	3.22	1.10	15.72	1,018.77
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	0.02	-	0.04	0.14	0.21	1.94	2.35
	756.46	30.13	217.30	3.36	1.31	17.66	1,026.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2021 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	0.15	14.62	-	-	-	14.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	465.17	32.31	219.64	5.89	8.04	9.96	741.01
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	0.02	-	0.04	0.31	0.04	1.83	2.24
	465.19	32.46	234.30	6.20	8.08	11.79	758.02

23.4 Current Liabilities - Other Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Interest Accrued on Secured Loan from bank {(Refer Foot Note (ii))}	0.10	2.23
Interest Accrued on Unsecured Loan from Indian Railway Finance Corporation	103.81	156.56
Less: Interest Accrued on Advances to Rail Land Development Authority {(Refer Foot Note (i))}	(103.81)	(156.56)
Gratuity Payable	4.69	4.72
Deposits, Retention Money and Money Withheld	1,187.18	1,106.20
Amount Payable to Client	917.91	795.60
Dividend Payable to Client	1.12	-
Interest Payable on Advance from Client	338.31	287.33
Other Payables (including Staff Payable)	179.81	228.40
Total	2,629.12	2,424.48

Foot Note:

- (i) Refer Note 14.6 and 20.1 (i) B (d)
- (ii) Refer Note 20.1 (i) A

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

24. Other Current Liabilities

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
a) Contract Liability		
Advance from Clients	3,520.38	2,054.00
- Less: Deposits under protest	(217.05)	(217.05)
Advance Contract Receipts	167.40	243.38
b) Others		
Statutory dues (Refer Foot Note (i))	271.90	210.51
Upfront Amount from Sub - leasing of MFCs	1.39	1.43
Total	3,744.02	2,292.27

Foot Notes:

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

25. Current Tax Liability (Net)

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Provision for tax (Net of Advance Tax)	18.01	87.21
Total	18.01	87.21

26. Revenue from Operations

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Contract Revenue	7,019.04	4,992.81
Revenue from Toll Operations	167.93	153.62
Group's share of turnover in Integrated Joint operations (unincorporated)	0.62	0.51
Machinery Hire Charges	13.54	3.75
MFC Leasing	14.34	11.08
Project Management Consultancy	141.98	167.76
Other Operating Revenue	22.22	20.30
Total	7,379.67	5,349.83

27. Other Income

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Interest Income :		
Interest on Tax Free Bonds	21.96	22.04
Interest on Refund of Income-tax	0.50	0.59
Interest on Staff Advances	0.07	0.10
Interest on Financial Asset under SCA	36.91	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Interest on loan to Related Parties (Refer Note (i))		0.79		1.81
Interest on Advances and Others	69.19		74.11	
Less:- Other Interest Passed to Clients	(26.67)	42.52	(21.89)	52.22
Interest income on Unwinding of Financial Instruments		0.01		-
Bank Interest Gross	126.19		114.13	
Less:- Interest passed to Clients	(43.62)	82.57	(55.15)	58.98
Others :				
Profit on Sale of Assets		1.07		3.83
Profit on Sale of Mutual Funds	2.18		2.36	
Less: Profit on Sale of Mutual Fund Passed to Clients	(1.03)	1.15	(0.35)	2.01
Miscellaneous Income (Refer Note (ii))	18.49		16.30	
Less: Insurance Claim Passed	-	18.49	(1.26)	15.04
Total		206.04		156.62

Foot Notes:

(i) Interest on loan to Related Parties:

(₹ in crore)

Particulars of Related Parties	2021-22	2020-21
- Chhattisgarh East-West Railway Limited	0.79	1.81
	0.79	1.81

(ii) Include Group's Share of Other Income in Integrated Joint operations (unincorporated) of ₹ **0.15 crore** (FY 2020-21: ₹ 0.43 crore)

28. (i) Materials and Stores Consumed

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Opening Balance		70.13		57.28	
Add: Purchases during the year	(i)	498.86		380.89	
		568.99		438.17	
Closing Balance		(56.82)	512.17	(70.13)	368.04
Total			512.17		368.04

Foot Notes:

(i) Includes Exchange gain/ (loss) of ₹ **(0.15) crore** (As at 31st March 2021 : ₹ (0.38) crore) on account of translation from functional currency to presentation currency.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

28. (ii) (Increase) / Decrease in WIP

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance		50.04	263.38
Add: Adjustments during the year for Exchange gain/ (loss)		0.88	(1.57)
		50.92	261.81
Closing Balance		(216.18) (165.26)	(50.04) 211.77
Total		(165.26)	211.77

28. (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Work Expenses	(i)	5,905.66	3,822.75	-	-
Toll Operation and Maintenance Expenses		18.58	16.00	-	-
Design, Drawing, Business Development & Consultancy Charges		7.04	5.77	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		31.13	23.39	-	-
Repairs and Maintenance of Machinery		9.49	7.22	-	-
Hire charges of Machinery		12.55	6.16	-	-
Exchange Fluctuation Loss		-	-	54.52	12.26
Less:- Exchange Fluctuation Gain		-	-	(40.63)	(4.29)
Net Exchange Fluctuation Loss		-	-	13.89	7.97
Rent - Non-residential		4.32	4.26	0.64	1.05
Rates and Taxes		20.72	25.14	0.62	1.63
Vehicle Operation and Maintenance		12.08	8.72	1.59	1.88
Repairs and Maintenance					
- Building		0.21	0.18	0.27	0.73
- Office and Others		3.94	2.55	5.84	4.67
Power, Electricity and Water Charges		5.71	6.20	1.91	1.48
Insurance		9.92	8.93	1.00	0.41
Travelling & Conveyance		7.92	2.93	1.58	0.83
Printing & Stationery		1.09	0.81	0.68	0.55
Postage, Telephone & Telex		1.08	1.22	0.33	0.39
Legal & Professional Charges		15.59	15.10	9.38	6.70
Security Services		1.53	1.60	0.70	0.77
Listing Expenses		-	-	0.20	0.14
Business Promotion		0.15	0.08	0.54	0.28
Write-off of:					
- Debts		0.43	-	-	-
- Advances		1.70	0.06	-	-
- Intangible Assets Under Development		-	15.07	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021
- Other Assets		-	0.47	-	-
Loss on Sale of Assets/Stores		-	-	0.08	0.08
Loss on disposal of investments in joint venture accounted through equity method		-	-	5.11	-
Director's Sitting Fee		-	-	0.08	0.10
Donation		-	-	0.02	-
Auditor's Remuneration	(iii)	-	-	0.80	0.69
Advertisement & Publicity		-	0.01	2.02	2.60
Training & Recruitment		-	-	0.39	0.07
Corporate Social Responsibility (Refer Note No. 46)		-	-	10.69	10.59
Miscellaneous Expenses		3.39	3.16	1.71	1.82
Bank and Other Finance Charges		-	-	0.01	0.07
Interest on Late Payment of Statutory dues		-	-	0.01	0.12
Fee & Subscription Charges		-	-	0.05	0.03
Proportionate share of expenses in Integrated Joint operations (unincorporated)		0.26	0.03	-	-
Provisions (Addition - Write Back) (Refer Note 21) & Foot Note (i)	(i)	58.46	14.14	-	-
Provisions Utilised (Refer Note 21) & Foot Note (ii)	(ii)	(13.96)	(19.45)	-	-
Preliminary Expenses		-	0.05	0.36	-
Total		6,118.99	3,972.55	60.50	45.65

Foot Notes:

- (i) Includes ₹ 14.99 crore (FY 2020-21: ₹ (10.03) crore) Provisions Addition-Write back against Doubtful Advance & Debts.
(ii) Includes ₹ 2.13 crore (FY 2020-21: ₹ 0.23 crore) against Doubtful Advance.
(iii) **Payment to Statutory Auditors:**

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
(a) Audit Fee - Current Year	0.38	0.36
(b) SAP Data Migration Audit Fee - Current Year	0.05	-
(c) Tax Audit Fees - Current Year	0.11	0.10
(d) Fee for Quarterly Limited Review	0.22	0.18
(e) Certification Fees	0.02	0.03
(f) Travelling & Out of Pocket Expenses:		
- Travelling Expenses	0.01	0.01
- Out of Pocket Expenses	0.01	0.01
Total	0.80	0.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

29. Employee Benefits Expenses

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	161.10	54.95	216.05	154.03	51.36	205.39
Contribution to Provident and Other Funds		10.53	9.00	19.53	9.44	5.04	14.48
Foreign Service Contribution		0.87	0.74	1.61	0.82	0.79	1.61
Retirement Benefits		17.84	9.38	27.22	17.71	6.83	24.54
Staff Welfare		1.96	0.24	2.20	1.14	0.23	1.37
Total		192.30	74.31	266.61	183.14	64.25	247.39

Foot Notes:-

(i) Includes income-tax on non-monetary perks ₹ **0.47 crore** (31st March 2021 : ₹ 0.50 crore).

30. Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31 st March 2022		For the year ended 31 st March 2021	
Interest Expense	(i)	164.29		177.31	
Less: Interest on Advance to Rail Land Development Authority (RLDA)		<u>(110.02)</u>	54.27	<u>(164.81)</u>	12.50
Other Borrowing Cost					
- Bank Guarantee & Other Charges			12.57		9.57
Interest Cost on Lease Liability			0.01		0.01
Unwinding of Discount on Provisions			1.97		1.22
Total			68.82		23.30

Foot Notes:-

(i) Includes interest on income-tax ₹ **0.02 crore** (31st March 2021 : ₹ 1.21 crore).

31. Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Depreciation of Property, Plant and Equipment	17.30	18.41
Depreciation of Right to Use - Lease Assets	0.37	0.37
Amortization of Intangible Assets	66.41	66.38
Depreciation of Investment Property	10.34	6.93
Impairment of Assets	0.75	-
Total	95.17	92.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

32. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Items that will not be reclassified to profit or loss		
Net actuarial gains/(losses) on remeasurements of defined benefit plans	(0.80)	(0.40)
Income Tax relating to Remeasurement Gain/(Loss) on Defined Benefit Plans	0.20	0.10
Share of other comprehensive income/(expense) of joint ventures accounted for using the equity method (net of tax)	(0.01)	-
Total	(0.61)	(0.30)

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of foreign operations	6.21	(1.21)
Income Tax relating to Income Tax relating to exchange differences in translating the financial statements of foreign operations	(1.56)	0.30
Total	4.65	(0.91)
Grand Total	4.04	(1.21)

33. A. Fair Value Measurements

Financial assets and financial liabilities are measured at fair value in these financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

a) The carrying values and fair values of financial instruments by categories as at 31 March, 2022 are as follows:*

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
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	275.18	-	-	275.18
(ii) Loans	1.30	-	-	1.30
(iii) Other Financial Assets	2,696.29	-	-	2,696.29
Total	2,972.77	-	-	2,972.77

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	1,399.01	-	-	1,399.01
(ii) Lease Liabilities	0.16	-	-	0.16
(iii) Other Financial Liabilities	3,151.42	-	-	3,151.42
Total	4,550.59	-	-	4,550.59

b) The carrying values and fair values of financial instruments by categories as at 31 March, 2021 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	291.46	-	-	291.46
(ii) Loans	1.43	-	-	1.43
(iii) Other Financial Assets	2,174.60	-	-	2,174.60
Total	2,467.49	-	-	2,467.49

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
(i) Borrowings	330.93	-	-	330.93
(ii) Lease Liabilities	0.16	-	-	0.16
(iii) Other Financial Liabilities	2,707.43	-	-	2,707.43
Total	3,038.52	-	-	3,038.52

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:

- i) The fair value of investments in mutual fund units is based on the Net Asset Value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- ii) Investment in 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 2021-22 and 2020-21, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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, 2022 and March 31, 2021, every 5% increase or decrease of the respective foreign currency would impact our profit before tax by approximately ₹16.98 crore and ₹ 16.88 crore respectively.

The Group's significant exposure to foreign currency risk at the end of reporting period are as follows:

As at 31 March 2022

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	ZAR	JPY	Total
Assets									
Trade Receivables	29.99	103.50	57.62	-	-	1.88	-	11.74	204.73
Cash & Bank Balances	10.71	93.16	26.51	3.28	21.90	2.34	0.06	-	157.96
Advance to Contractors	2.46	-	0.16	4.63	-	-	-	-	7.25
Other Assets	0.06	-	38.38	-	23.61	21.21	12.31	-	95.57
Total	43.22	196.66	122.67	7.91	45.51	25.43	12.37	11.74	465.51
Liabilities									
Trade Payables	6.98	48.53	6.55	7.64	16.58	0.13	0.74	-	87.15
Advance from Client	28.75	-	-	-	-	0.90	-	-	29.65
Other Liabilities	3.06	4.35	-	-	0.28	1.35	-	-	9.04
Total	38.78	52.88	6.55	7.64	16.86	2.38	0.74	-	125.84

As at 31 March 2021

(₹ in crore)

Particulars	USD	EURO	DZD	BDT	LKR	MYR	ZAR	JPY	Total
Assets									
Trade Receivables	36.47	0.07	47.27	-	-	1.23	-	-	85.04
Cash & Bank Balances	22.01	48.11	14.37	5.71	4.20	4.48	0.07	-	98.95
Advance to Contractors	3.30	0.39	-	5.84	-	-	-	-	9.53
Other Assets	155.86	-	143.33	70.38	3.51	20.46	18.37	-	411.91
Total	217.64	48.57	204.97	81.93	7.71	26.17	18.44	-	605.43
Liabilities									
Trade Payables	2.08	0.22	23.22	3.78	9.35	0.06	-	-	38.71
Advance from Client	31.21	7.48	-	-	-	0.57	-	-	39.26
Other Liabilities	12.55	-	110.39	24.13	8.78	0.93	33.04	-	189.82
Total	45.84	7.70	133.61	27.91	18.13	1.56	33.04	-	267.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Group manages its interest risk in accordance with the group's policies and risk objective. In addition to borrowings, financial instruments affected by interest rate risk includes tax free bonds and deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments.

b) Credit Risk

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

Trade and other receivable

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

Exposure to Credit Risk

(₹ in crore)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Non Current Investments	225.18	275.15
Non Current Loans	0.50	0.48
Other Non Current Financial Assets	18.70	15.98
Current Investments	50.00	16.31
Cash and Cash Equivalents	1,257.95	414.20
Other Bank Balances	4,255.26	3,032.24
Current Loans	0.80	0.95
Other Current Financial Assets	432.55	295.36
Financial Assets for which allowance is measured using Simplified Approach		
Trade Receivables	725.73	651.25
Contract Assets	2,258.30	1,878.72

Summary of change in loss allowances measured using Simplified approach

(₹ in crore)

Particulars	31-Mar-22	31-Mar-21
Opening Allowances	29.63	38.85
Provided during the year	17.68	-
Utilization during the year	(0.43)	-
Amount written-off	(9.25)	(9.22)
Closing Allowances	37.63	29.63

During the year, the Group has recognised loss allowance of ₹ 17.68 crore (31 March, 2021 : ₹ Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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

(₹ in crore)

Particulars	31-Mar-22	31-Mar-21
Opening Allowances	6.31	6.40
Provided during the year	2.26	-
Utilization during the year	-	-
Amount written-off	-	(0.09)
(Exchange Gain) / Loss	-	-
Closing Allowances	8.57	6.31

No significant changes in estimation techniques or assumptions were made during the reporting period. During the year, the Group has recognised loss allowance of ₹ **2.26 crore** (31 March, 2021 : ₹ Nil).

c) Liquidity risk

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

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

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

The table below provides details regarding the significant financial liabilities as at 31 March 2022 and 31 March 2021.

(₹ in crore)

Particulars	As at 31 March, 2022		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	94.60	98.36	1,206.05
Lease Liabilities	0.01	0.15	-
Trade payables	1,026.22	-	-
Other financial liabilities	2,629.12	522.30	-

(₹ in crore)

Particulars	As at 31 March, 2021		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	18.84	18.84	293.25
Lease Liabilities	0.01	0.15	-
Trade payables	758.02	-	-
Other financial liabilities	2,424.48	282.95	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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-Mar-22	31-Mar-21
Revenue from top 5 Projects	4,418.50	2,758.25
	4,418.50	2,758.25

C. Capital Management

The Group objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Group can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Board of Directors also monitors the level of dividends to equity shareholders in line with the dividend distribution policy of the Group. The Group has paid dividend as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows:-

(₹ in crore)

Particulars	31-Mar-22	31-Mar-21
Dividend Paid	333.89	158.00
Total	333.89	158.00

Board of Directors has recommended the final dividend of ₹ 0.65 per equity share on face value of ₹ 2/- per equity share for the year ended March 31, 2022 subject to the approval of shareholders at the AGM. This is in addition to Interim Dividend paid @ ₹ 1.85 per equity share on face value of ₹ 2/- per equity share.

Further, the Group manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Group monitors capital, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group monitors capital using debt equity ratio which is debt divided by total equity. Debt comprises of non-current and current maturities of long term debt. The debt equity ratio at the end of the reporting period was as follows:

(₹ in crore)

Particulars	31-Mar-22	31-Mar-21
Borrowings (Note No. 20.1)	1,304.41	312.09
Current Maturities of Long term Debt (Note No. 23.1)	94.60	18.84
Debt	1,399.01	330.93
Equity (Note No. 18)	188.10	94.05
Other Equity (Note No. 19)	4,477.52	4,309.08
Total Equity	4,665.62	4,403.13
Debt Equity Ratio	0.30	0.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

34.

- a) The consolidated financial statements are prepared in accordance with the requirement of section 129(3) of the Companies Act, 2013 and rules made there under as applicable from the financial year starting from 1st April, 2015. Accordingly, the company (also referred to as holding company), its subsidiaries and joint venture (jointly referred to as the 'Group') considered in the consolidated financial statements are as follows:

S. No.	Name of Subsidiary/Joint Ventures	Country of Origin	% age Share	
			31.03.2022	31.03.2021
	Subsidiaries;			
1	Ircon Infrastructure and Services Limited	India	100.00%	100.00%
2	Ircon PB Tollway Limited	India	100.00%	100.00%
3	Ircon Shivpuri Guna Tollway Limited	India	100.00%	100.00%
4	Ircon Davanagere Haveri Highway Limited	India	100.00%	100.00%
5	Ircon Vadodara Kim Expressway Limited	India	100.00%	100.00%
6	Ircon Gurgaon Rewari Highway Limited	India	100.00%	100.00%
7	Ircon Renewable Power Limited	India	76.00%	-
8	Ircon Akloli Shirsad Expressway Limited	India	100.00%	-
9	Ircon Ludhiana Rupnagar Highway Limited	India	100.00%	-
10	Ircon Bhoj Morbe Expressway Limited	India	100.00%	-
11	Ircon Haridwar Bypass Limited	India	100.00%	-
	Joint Venture Companies			
1	Ircon-Soma Tollway Private Limited	India	50.00%	50.00%
2	Chhattisgarh East Railway Limited	India	26.00%	26.00%
3	Chhattisgarh East-West Railway Limited	India	26.00%	26.00%
4	Mahanadi Coal Railway Limited	India	26.00%	26.00%
5	Jharkhand Central Railway Limited	India	26.00%	26.00%
6	Baster Railway Private Limited	India	26.00%	26.00%
7	Indian Railway Station Development Corporation Limited	India	26.00%	26.00%

- b) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

35. Other Information – Capital Expenditure

(₹ in crore)

Particulars	Upto 31 st December, 2021	For the Quarter ended 31 st March, 2022	Total (FY 2021-22)
(Addition to PPE, Change in CWIP, Addition in Intangible Assets, Change in Intangible Assets under Development, Addition in Investment Property)			
Capital Expenditure incurred by IRCON including its subsidiary companies	8.56	32.4	40.96
Total (A)	8.56	32.4	40.96
IRCONs share in Capital Expenditure incurred by Joint Venture companies which are capitalized/to be capitalized:			
1. Ircon-Soma Tollway Private Limited	0.07	-	0.07
2. Chhattisgarh East Railway Limited	95.38	(29.61)	65.77
3. Chhattisgarh East-West Railway Limited	19.79	78.89	98.68
4. Mahanadi Coal Railway Limited	19.77	(1.75)	18.02
5. Jharkhand Central Railway Limited	0.72	1.38	2.10
6. Bastar Railway Private Limited	-	-	-
Total (B)	135.73	48.92	184.65
Grand Total (A+B)	144.29	81.32	225.61

36. 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 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 ₹ 8.93 crore (₹ 9.02 crore) for the period from April 01, 2021 to March 31, 2022 has been paid and accounted for during the period 2021-22.

(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 ₹ 13.43 crore (₹ 13.14 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, 2022 a liability of ₹ 4.73 crore (₹ 4.76 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 ₹ 4.64 crore (₹ 4.72 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, 2022 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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Defined benefit obligation at the beginning of the period	409.24	380.23	80.16	85.74	128.73	110.96	1.28	1.28
Current service cost	43.44	43.56	3.45	3.97	3.51	3.98	0.06	0.07
Past service cost	-	-	-	-	-	-	-	-
Interest cost	33.96	31.97	5.24	5.93	8.41	7.68	0.08	0.09
Benefits paid	(60.08)	(46.92)	(8.58)	(15.90)	(5.30)	(3.05)	(0.10)	(0.03)
Actuarial (loss) / gain on obligations	0.54	0.40	1.15	0.42	(4.12)	9.16	(0.13)	(0.13)
Defined benefit obligation at the end of the period	427.10	409.24	81.42	80.16	131.23	128.73	1.20	1.27

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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Fair value of plan assets at the beginning of the period	409.82	380.48	75.39	82.39	104.47	91.07	-	-
Contribution by employer & employee	43.44	43.56	4.72	3.32	4.72	10.45	-	-
Benefits paid	(60.08)	(46.92)	(8.58)	(15.90)	(5.30)	(3.05)	-	-
Interest income	31.39	33.51	5.45	5.94	6.40	6.00	-	-
Return on plan asset excluding interest income	-	-	-	-	-	-	-	-
LIC mortality charges	-	-	(0.31)	(0.35)	-	-	-	-
Fair value of plan assets at the end of the period	424.56	410.63	76.68	75.39	110.29	104.47	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Fair value of plan assets	424.56	410.63	76.68	75.39	110.29	104.47	-	-
Defined benefit obligation	427.10	409.24	81.42	80.16	131.23	128.73	1.20	1.27
Amount recognised in the Balance Sheet	(2.54)	1.39	(4.74)	(4.76)	(20.94)	(24.26)	(1.20)	(1.27)

iv) Amount recognised in Statement of profit and loss

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31 st March		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Current service cost	12.42	13.12	3.45	3.97	3.52	3.98	0.06	0.07
Past service cost	-	-	-	-	-	-	-	-
Net interest expense	-	-	0.31	0.23	1.38	1.59	0.08	0.09
Amount recognised in statement of Profit and Loss	12.42	13.12	3.76	4.20	4.90	5.57	0.15	0.16

v) Amount recognised in Other Comprehensive Income:

(₹ in crore)

Particulars	Provident Fund		Gratuity		Post retirement medical benefit plan		Other retirement benefit	
	As at 31 st March		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Actuarial changes arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumptions	0.06	(0.02)	2.69	(1.83)	5.01	(4.11)	(0.05)	(0.04)
Experience adjustments	(0.98)	(0.38)	(3.85)	1.42	3.62	(5.05)	(0.09)	0.18
Return on Plan Assets excluding Interest Income	(2.58)	1.54	0.22	(0.12)	(0.44)	(0.29)	-	-
Amount recognised in Other Comprehensive Income	(3.50)	1.14	(0.94)	(0.53)	8.19	(9.45)	0.13	0.13

** The unrecognized actuarial gain/loss (OCI) of ₹ 8.19 crore (₹ 9.45 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 2022

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		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Government of India securities	59.67%	59.67%	-	-	9.52%	9.52%	-	-
State Government securities	-	-	-	-	30.86%	30.86%	-	-
Central & State Guaranteed Bonds	-	-	-	-	18.73%	18.73%	-	-
High quality corporate bonds	38.04%	38.04%	-	-	23.40%	23.40%	-	-
PSU Bond	-	-	-	-	7.35%	7.35%	-	-
PSU Basel III Tier I Bonds	-	-	-	-	8.25%	8.25%	-	-
Debt Mutual Fund	0.77%	0.77%	-	-	-	-	-	-
ETF/INDEX/Equity Mutual Fund	1.52%	1.52%	-	-	1.89%	1.89%	-	-
Fund Managed by Insurer	-	-	100.00%	100.00%	-	-	-	-
Total	100%	100%	100%	100%	100%	100%	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		Gratuity For the year ended 31 st March		PRMB For the year ended 31 st March		Retirement Allowance For the year ended 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%
Future salary increase	8.10%	8.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Mortality rate	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)	100% IALM (2012-14)

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For The Year Ended 31st March 2022

viii) Quantitative sensitivity analysis for significant assumption shown above 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, 2022	31 st March, 2021	31 st March, 2022	31 st March, 2021	31 st March, 2022	31 st March, 2021	31 st March, 2022	31 st March, 2021
Present value of obligation at the end of period	427.10	409.24	81.42	80.16	131.23	128.73	1.20	1.28
Discount rate	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%	7.11%	6.54%
Increase by 0.50%	(0.03)	(0.03)	(2.20)	(2.40)	(4.93)	(4.19)	(0.05)	(0.05)
Decrease by 0.50%	0.03	0.03	2.36	2.56	5.04	4.51	0.05	0.05
Future salary increases	8.10%	8.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Increase by 0.50%	-	-	0.94	1.10	-	-	0.05	0.05
Decrease by 0.50%	-	-	(0.97)	(1.13)	-	-	(0.05)	(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 ₹ 26.17 crore

x) **Maturity profile of defined benefit obligation is as under**

(₹ in crore)

Duration of defined benefit obligation duration (years)	Provident Fund	Gratuity	Post retirement medical benefit plan	Retirement Allowance
1	111.08	19.19	4.45	0.16
2	127.35	9.57	14.89	0.02
3		8.57	7.37	0.14
4		8.17	6.57	0.13
5		4.62	3.85	0.13
6	189.12	4.51	3.59	0.07
6 year onward		26.75	90.51	0.55
Total	427.55	81.37	126.78	1.19

Risk analysis

Group is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan

participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

37. Related Party Transactions

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

a) List of Related Parties

(i) Subsidiary Companies

- Ircon Infrastructure and Services Limited
- Ircon PB Tollway Limited
- Ircon Shivpuri Guna Tollway Limited
- Ircon Davanagere Haveri Highway Limited
- Ircon Vadodara Kim Expressway Limited
- Ircon Gurgaon Rewari Highway Limited,
- Ircon Renewable Power Limited, incorporated on 13th January 2022
- Ircon Akloli -Shirsad Expressway Limited, incorporated on 23rd December 2021
- Ircon Ludhiana Rupnagar Highway Limited ,incorporated on 24th December 2021
- Ircon Bhoj Morbe Expressway Limited ,incorporated on 6th January 2022
- Ircon Haridwar Bypass Limited ,incorporated on 13th January 2022

(ii) Joint Venture Companies

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

(iii) Unincorporated Joint Ventures (Joint Operations)

Joint Operations in Operation	Completed Joint Operations	Financially Closed Joint Operations
Express Freight Consortium	International Metro Civil Contractor	Ircon-COBRA-ELIOP
Express Freight Railway Consortium	Metro Tunnelling Group	Ircon- Sree Bhawani Builders
	IRCON-AFCONS	Ircon-SMJ Project JV
		Ircon-GANNON Dunkerly
		Ircon-RCS-PFLEIDERER
		IRCON-SPSCPL
		RICON

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

Whole Time Directors

Name	Designation
Shri Yogesh Kumar Misra ¹	CMD & Chief Executing Officer (CEO)
Shri Mohit Sinha ²	Director (Finance)
Shri S.L Gupta	Director (Projects)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

1. Shri S.K. Chaudhary was the CMD & CEO of the Company during FY 2021-22 upto 30.04.2021. Shri M.K. Singh was holding additional charge of the post of CMD w.e.f. 01.05.2021 & CEO w.e.f. 11.06.2021. He relinquished the additional charge of the post of CMD & CEO on 04.09.2021 on appointment of Shri Yogesh Kumar Misra as CMD & CEO of the Company w.e.f. 04.09.2021. Shri Yogesh Kumar Misra is also holding the additional charge of the post of Director (Works) w.e.f. 04.09.2021.
2. Shri M.K. Singh was the Director (Finance) of the Company upto 30.09.2021. Shri Mohit Sinha (Additional Member (Revenue), Railway Board) was holding the additional charge of the post of the Director (Finance) w.e.f. 03.12.2021. Shri Mohit Sinha relinquished the additional charge of the post of Director (Finance) w.e.f. 19.04.2022 (AN) on appointment of Ms. Ragini Advani as Director (Finance).

Company Secretary and Chief Financial Officer

Name	Designation
Ms. Ritu Arora	Company Secretary
Shri Surajit Dutta ¹	Chief Financial Officer (CFO)

1. Shri M.K. Singh ceased to be a CFO of the Company on 11.06.2021 and Shri Surajit Dutta (Former ED/Finance) was appointed as CFO of the Company w.e.f. 11.06.2021. He ceased to be a CFO of the Company (on account of superannuation) w.e.f. 31.03.2022 and Shri Mugunthan Boju Gowda (ED/Finance) has been appointed as CFO of the Company w.e.f. 26.04.2022.

(B) Other Directors

Government Nominee Part-Time (Official) Directors and Independent Part-time (Non-Official) Director

Name	Designation
Shri Dhananjaya Singh	Government Nominee Part-Time (Official) Director
Shri Rajesh Argal	Government Nominee Part-Time (Official) Director (w.e.f. 13.05.2021)
Shri Ajay Kumar Chauhan	Independent Part-time (Non-Official) Director w.e.f. 11.11.2021
Shri Dipendra Kumar Gupta	Independent Part-time (Non-Official) Director w.e.f. 16.11.2021
Smt. Ranjana Upadhyay	Independent Part-time (Non-Official) Director w.e.f. 16.11.2021
Dr. Kartik Chandulal Bhadra	Independent Part-time (Non-Official) Director w.e.f. 31.12.2021

(v) Post Employment Benefit Plans

Ircon Gratuity Trust

Ircon Employees Contributory PF Trust

Ircon Medical Trust

Ircon Defind Contribution Superannuation Pension Scheme, 2009 Trust

(vi) Government Related Entities:

The Holding Company is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways. The Holding Company is controlled by Government of India (GOI), by holding 73.18% of equity shares in the name of President of India as at 31st March, 2021. Pursuant to Para 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements.

The Group has significant transaction with the following government related entities:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Transactions with Key Management Personnel (KMP)/Other Directors are as follows:

(₹ in crore)

S. No.	Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1	Short term employment benefits (i)	2.93	3.00
2	Other long-term employment benefits	0.66	0.30
3	Sitting fees	0.08	0.10
	Total	3.67	3.40

Note: (i) Figures of FY 2021-22 include PRP of ₹ 0.30 crore paid during the year for previous years on provisional basis (For FY 2020-21 include PRP of ₹ 0.73 crore paid during the year for FY 2019-20 on provisional basis).

(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.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1	Sale of goods and services				
1.1	Contract Revenue	Chhattisgarh East Railway Limited	Joint Venture Companies	199.36	215.68
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	298.94	23.73
		Mahanadi Coal Railway Limited	Joint Venture Companies	40.00	40.28
		Jharkhand Central Railway Limited	Joint Venture Companies	9.66	4.06
		Baster Railway Private Limited	Joint Venture Companies	-	1.75
		Ministry of Railways	Government Related Entities	4,539.71	2,766.46
1.2	Rent Income	Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.04	0.03
		Rail Land Development Authority	Government Related Entities	0.08	0.04
2	Purchase of goods and services			-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
3	Reimbursement of Deputation Staff Expenses, Rent & Other Misc. Expenses (Income)	Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.11	-
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.93	0.67
		Mahanadi Coal Railway Limited	Joint Venture Companies	0.51	0.43
		Jharkhand Central Railway Limited	Joint Venture Companies	0.10	-
		Baster Railway Private Limited	Joint Venture Companies	-	0.27
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	0.23	0.22
4	Interest Income				
4.1	Interest Income on loans	Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.79	1.81
4.2	Interest Income on Advances	Rail Land Development Authority	Government Related Entities	110.02	165.32
4.3	Interest Income on Bonds	Indian Railway Finance Corporation Limited	Government Related Entities	15.14	17.11
4.4	Dividend Income	Ircon-Soma Tollway Private Limited	Joint Venture Companies	41.00	17.00
5	Dividend				
5.1	Dividend distribution	Ministry of Railways	Government Related Entities	244.34	140.89
5.2	Dividend Income Passed on	Ministry of Railways	Government Related Entities	-	-
5.3	Profit on Sale of Investment Passed on	Ministry of Railways	Government Related Entities	1.03	0.21
6	Interest Expense				
6.1	Interest Expense passed on	Mahanadi Coal Railway Limited	Joint Venture Companies	0.03	0.06
6.2	Interest Expense passed on	Ministry of Railways	Government Related Entities	67.38	73.01
6.3	Interest Expense passed on	Indian Railway Finance Corporation Limited	Government Related Entities	110.02	164.81

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For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
7	Investment in Equity Shares	Chhattisgarh East Railway Limited	Joint Venture Companies	55.28	20.00
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	26.00	-
		Mahanadi Coal Railway Limited	Joint Venture Companies	25.99	-
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	-	12.00
8	Interest Free Loan (Deemed Equity)	Chhattisgarh East-West Railway Limited	Joint Venture Companies	15.6	-
9	Recovery of Loans	Chhattisgarh East-West Railway Limited	Joint Venture Companies	-	39.00
10	Recovery of Advances	Rail Land Development Authority	Government Related Entities	615.30	615.31
11	Repayment of Loans	Indian Railway Finance Corporation Limited	Government Related Entities	615.30	615.31
12	Advances Received	Chhattisgarh East Railway Limited	Joint Venture Companies	1.36	3.07
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	5.00	36.39
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.29	-
		Rail Land Development Authority	Government Related Entities	15.00	-
		Ministry of Railways	Government Related Entities	5,042.37	2,700.26
13	Repayment of Advances	Chhattisgarh East Railway Limited	Joint Venture Companies	15.52	15.19
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	9.79	9.34
		Mahanadi Coal Railway Limited	Joint Venture Companies	-	0.98
		Baster Railway Private Limited	Joint Venture Companies	-	0.26
		Ministry of Railways	Government Related Entities	3909.24	2496.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
14	Post Employment Benefit Plans				
14.1	Contribution made during the year	Ircon Gratuity Trust Ircon Employees Contributory PF Trust	Post Employment Benefit Plans	4.72	3.30
			Post Employment Benefit Plans	45.46	40.12
		Ircon Medical Trust	Post Employment Benefit Plans	4.72	10.45
		Ircon Defind Contribution Superannuation Pension Scheme, 2009 Trust	Post Employment Benefit Plans	8.93	9.02
14.2	Reimbursements made during the year	Ircon Gratuity Trust	Post Employment Benefit Plans	-	13.57

Note: (i) Refer Note 40 for guarantees and other commitments with subsidiary companies, joint venture companies and joint operations.

(ii) Purchases are heterogeneous in nature, thus immaterial. Hence not disclosed

Transactions with other related parties are as follows:

(₹ in crore)

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1	Equity Investments (Including Deemed Equity)	Ircon-Soma Tollway Private Limited	Joint Venture Companies	64.15	64.15
		Chhattisgarh East Railway Limited	Joint Venture Companies	213.46	142.58
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	157.17	131.17
		Mahanadi Coal Railway Limited	Joint Venture Companies	26.00	0.01
		Jharkhand Central Railway Limited	Joint Venture Companies	63.00	63.00
		Baster Railway Private Limited	Joint Venture Companies	76.34	76.34
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	52.00	52.00
2	Investment in Bonds	Indian Railway Finance Corporation Limited	Government Related Entities	205.18	221.47
3	Amount Recoverable towards loans granted			-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
4	Amount recoverable other than loans				
4.1	Trade Receivables	Ircon-Soma Tollway Private Limited	Joint Venture Companies	0.05	0.06
		Chhattisgarh East Railway Limited	Joint Venture Companies	19.92	46.94
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	3.85	23.37
		Mahanadi Coal Railway Limited	Joint Venture Companies	14.08	4.75
		Baster Railway Private Limited	Joint Venture Companies	-	6.65
		Ministry of Railways	Government Related Entities	77.14	34.77
4.2	Contract Assets				
(a)	Billable Revenue/ Receivable not due and CWIP at Realisable Value	Chhattisgarh East Railway Limited	Joint Venture Companies	31.59	19.53
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	37.30	4.80
		Mahanadi Coal Railway Limited	Joint Venture Companies	1.29	0.38
		Baster Railway Private Limited	Joint Venture Companies	22.94	22.94
		Jharkhand Central Railway Limited	Joint Venture Companies	7.52	-
		Ministry of Railways	Government Related Entities	153.86	18.65
(b)	Retention Money and Money Withheld	Chhattisgarh East Railway Limited	Joint Venture Companies	0.62	2.16
		Mahanadi Coal Railway Limited	Joint Venture Companies	3.84	4.32
		Ministry of Railways	Government Related Entities	0.86	1.90
4.3	Advance and Claims Recoverable	Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	0.02
		Chhattisgarh East Railway Limited	Joint Venture Companies	0.22	0.20
		Mahanadi Coal Railway Limited	Joint Venture Companies	1.32	1.83
		Jharkhand Central Railway Limited	Joint Venture Companies	0.10	-
		Baster Railway Private Limited	Joint Venture Companies	0.02	0.83
		Indian Railway Station Development Corporation Limited	Joint Venture Companies	1.03	0.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
		Ministry of Railways	Government Related Entities	10.96	8.04
4.4	Interest Accrued on loans	Rail Land Development Authority	Government Related Entities	1,270.26	1,885.56
4.5	Interest Accrued on advances	Chhattisgarh East-West Railway Limited	Joint Venture Companies	10.06	9.35
4.6	Interest Accrued on bonds	Rail Land Development Authority	Government Related Entities	109.77	160.72
4.7	Recoverables from Trusts	Indian Railway Finance Corporation Limited	Government Related Entities	19.86	12.91
		Ircon Gratuity Trust	Post Employment Benefit Plans	7.68	3.65
5	Borrowings	Indian Railway Finance Corporation Limited	Government Related Entities	1230.62	1845.92
6	Amount Payable towards				
6.1	Trade Payables	Ministry of Railways	Government Related Entities	-	-
6.2	Contract Liabilities (Advances and Advance Contract Receipts)	Ministry of Railways	Government Related Entities	2326.90	1499.52
		Ircon-Soma Tollway Private Limited	Joint Venture Companies	-	44.55
		Chhattisgarh East Railway Limited	Joint Venture Companies	30.82	44.98
		Chhattisgarh East-West Railway Limited	Joint Venture Companies	52.72	57.35
		Mahanadi Coal Railway Limited	Joint Venture Companies	2.29	-
		Baster Railway Private Limited	Joint Venture Companies	-	-
		Rail Land Development Authority	Government Related Entities	-	10.00
6.3	Other Payable to Client	Chhattisgarh East-West Railway Limited	Joint Venture Companies	0.65	-
		Mahanadi Coal Railway Limited	Joint Venture Companies	4.94	-
		Ministry of Railways	Government Related Entities	901.38	779.59
6.4	Interest Payable on Borrowings	Indian Railway Finance Corporation Limited	Government Related Entities	103.81	156.56
6.5	Interest Payable on Advances	Mahanadi Coal Railway Limited	Joint Venture Companies	0.35	-
		Rail Land Development Authority	Government Related Entities	-	1.76
		Ministry of Railways	Government Related Entities	287.20	234.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Nature of transaction	Name of related party	Nature of relationship	For the year ended 31 st March 2022	For the year ended 31 st March 2021
6.6	Payable to Trust	Ircon Gratuity Trust	Post Employment Benefit Plans	7.68	4.72

d) Terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) Outstanding balances of related parties at the year-end are unsecured and settlement occurs through banking transactions. These balances other than loans and interest bearing advances are interest free.
- (iii) The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

38. Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

(i) Basic and diluted Earnings Per Share (in ₹)

Particulars	Note	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Profit attributable to Equity holders (₹ in crore)	(ii)	592.34	391.06
Weighted average number of equity shares for Basic and Diluted EPS*	(iii)	94,05,15,740	94,05,15,740
Earnings per share (Basic)		6.30	4.16
Earnings per share (Diluted)		6.30	4.16
Face value per share		2.00	2.00

* The Board of Directors of IRCON in its 268th meeting held on 5th April, 2021 had approved the proposal for issuance of 47,02,57,870 fully paid-up Bonus Shares of ₹ 2/- each in the ratio of 1:1, (i.e. issue of 1 (one) equity share for every existing 1 (one) equity share with 21st May, 2021 as the Record Date for the purpose of ascertaining the eligibility of Shareholders. The Final Listing and Trading Approvals from NSE and BSE have been received on 31st May, 2021. Post Bonus, the Paid-up Share Capital of the Company is ₹ 188,10,31,480 divided into 94,05,15,740 equity shares of ₹ 2/- each.

(ii) Profit attributable to equity shareholders (used as numerator) (in ₹)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Profit for the year as per Statement of Profit and Loss	592.34	391.06
Profit attributable to Equity holders of the Parent used for computing EPS:	592.34	391.06

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Opening balance of issued equity shares	47,02,57,870.00	9,40,51,574.00
Equity shares issued during the year	-	-
Increase in the Number of Share on account of Shares Split	-	37,62,06,296.00
Bonus share issued after the reporting date but before the financial statement are issued	47,02,57,870.00	47,02,57,870.00
Weighted average number of equity shares for computing Basic EPS	94,05,15,740.00	94,05,15,740.00
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	94,05,15,740	94,05,15,740

39. Impairment of Assets

During the year, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realizable value and carrying cost in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. Accordingly, impairment loss of Nil (Nil) has been provided for." However, one of the subsidiary IISL has been provided impairment loss of ₹ 0.75 crore.

40. Provisions, Contingencies and Commitments

(i) Provisions

The nature of provisions provided and movement in provisions during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' are disclosed in Note 21.

(ii) Contingent Liabilities

Disclosure of Contingent Liabilities as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as under:
(₹ in crore)

Particulars	Foot Note	As at 31 st March 2021	Addition during the year	Total Claims Settled during the year	As at 31 st March 2022
a) Claims against the Group not acknowledged as debts :					
Disputed Direct tax demands					
(i) in respect of the Holding Company	1	308.06	22.77	(131.80)	199.03
(ii) in respect of IPBTL		-	132.63	-	132.63
Disputed Indirect tax demands					
(i) in respect of the Holding Company	2	256.59	10.59	(3.52)	263.66
(ii) in respect of the Joint Operations	3	4.25	-	(0.92)	3.33
Legal Cases					
(i) in respect of the Holding Company	4	474.72	137	(74.41)	537.31
(ii) in respect of the Joint Operations	5	0.02	-	-	0.02
Claims by Employees - IISL	6	2.38	0.55		2.93
b) Other money for which Group is contingent liable					

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	Foot Note	As at 31 st March 2021	Addition during the year	Total Claims Settled during the year	As at 31 st March 2022
Liquidated damages pending disposal of application for extension of time by clients		9.27	0	-	9.27
		1,055.29	303.54	(210.65)	1,148.18

- 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.
- 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 ₹ **176.60 crore** which has been reimbursable from clients.
- In case of International Metro Civil Contractor, a Joint Operation of the holding Company, there is disputed demand pending with the sales tax authorities amounting to ₹ **3.33 crore** (₹ 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 in terms of provisions of the respected contracts. Against a total claim of ₹ **638.79 crore** (₹ 557.26 crore), provision of ₹ **101.48 crore** (₹ 82.54 crore) has been made and balance ₹ **537.31 crore** (₹ 474.72 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 ₹ **238.82 crore** (₹ 134.94 crore). Interest on claims is not considered, being unascertainable.
- One of the contractor, M/s Sai Engineers has filed suit against International Metro Civil Contractor for an amount of ₹ **0.02 crore** (₹ 0.02 crore) for dispute on contract terms. The decision is pending before the appellate authorities and therefore, no provision has been made in the financial statements.
- There are some cases relating to employees/others are pending in the Courts against the Group in respect of which the liability is not ascertainable. However, some cases of ₹ **2.93 crore** (₹ 2.38 crore) which are relating to Ircon Infrastructure and Services Limited, one of the subsidiary company, relating to employees.
- IPBTL has an Income Tax demand of ₹ **132.63 crore** pertains to 2017-18 against which has been filed with the department.

(iii) Contingent Assets

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

- Claims raised by Group on some of its clients and awarded by arbitrators in favour of Group against which clients have gone to court not accounted for as receivables are ₹ **425.76 crore** (₹ 395.43 crore) including interest calculated up to 31.03.2022 as per arbitration award.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- 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 ₹ **25.42 crore** (₹ 24.12 crore).
- c) Insurance Claim of **USD 0.91 Mn** (USD 0.89 Mn) and **Ethiopian Bir 1.22 Mn** (1.16 Mn) equivalent to ₹ **7.05 crore** (₹ 6.74 crore) including interest calculated upto 31.03.2022 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 2022	As at 31 st March 2021
a) Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for:	1	53.55	130.49
b) Other Commitments			
(i) Funding committed by way of equity and loans in Joint Venture Companies	2	75.42	80.41
(ii) Other Commitments of Ircon Shivpuri Guna Tollway Limited		483.02	505.88
(iii) Sponsor's Support Agreement on behalf of Joint Venture		1033.76	1033.76
(iv) Other Commitments of Ircon Davangere Haveri Limited		264.16	266.83
(v) Other Commitments of Ircon Vadodara Kim Expressway Limited		173.31	393.35
		2083.22	2,410.72

Foot Note:

(₹ in crore)

1	S. No	Capital Commitments	As at 31 st March 2022	As at 31 st March 2021
	1	Estimated amount of contracts remaining to be executed on Property, Plant and Equipment	-	-
	2	Estimated amount of contracts remaining to be executed on Investment Property	-	2.00
	3	Estimated amount of contracts remaining to be executed on Intangible Assets under development-ISGTL	37.18	112.12
	4	Estimated amount of contracts remaining to be executed on Intangible Assets under development-Holding Company	16.37	16.37
		Total	53.55	130.49

(₹ in crore)

2	S. No	Name of the Joint Venture Company	As at 31 st March 2022		As at 31 st March 2021	
			Equity	Loans	Equity	Loans
	1	Chhattisgarh East Railway Limited	-	-	16.28	-
	2	Chhattisgarh East-West Railway Limited	36.83	-	62.83	-
	3	Mahanadi Coal Rail Limited	-	-	1.29	-
	4	Baster Railway Private Limited	-	25.33	0.01	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

5	Jharkhand Central Railway Limited	13.26	-	-	-
6	Indian Railway Station Development Corporation Limited	-	-	-	-
	Total	50.09	25.33	80.41	-

- 3 The Company along with SECL (Sponsors) have executed Sponsor's Support Agreement on behalf of its Joint Venture, Chhattisgarh East West Railway Ltd. (CEWRL), wherein it has been stated that in case of termination of the Concession Agreement due to an event of default by the Borrower prior to the achievement of the Commercial Operation Date the Sponsors shall meet any shortfall in the Debt Service obligations of the Borrower, to the satisfaction of the Lenders, without recourse to the Borrower and/or the Project. IRCON's share as per the given amount of Rupee Term Loan is ₹ **1033.76** (26% of total loan of ₹ 3976 Crore) as on 31st March 2022 (31st March, 2021: ₹ 1033.76 Crore).

41. 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 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Segment Revenue						
Revenue from external customers	480.43	583.59	6,899.24	4,766.24	7,379.67	5,349.83
Total Operating Revenue	480.43	583.59	6,899.24	4,766.24	7,379.67	5,349.83
Interest income	1.88	2.92	183.45	132.82	185.33	135.74
Other Income	9.84	5.07	10.87	15.81	20.71	20.88
Inter - segment	-	-	-	-	-	-
Total Revenue	492.15	591.58	7,093.56	4,914.87	7,585.71	5,506.45
Segment Result						
Profit before provision, depreciation, interest and exceptional item and tax	67.15	40.64	769.47	623.75	836.62	664.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Particulars	International		Domestic		Total	
	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Less: Provisions and write back	(14.75)	4.39	(43.71)	(18.53)	(58.46)	(14.14)
Less: Depreciation, amortization and impairment	(2.72)	(3.20)	(92.45)	(88.89)	(95.17)	(92.09)
Less: Interest	-	-	(54.28)	(12.50)	(54.28)	(12.50)
Add: Share of net profit of Joint Ventures accounted for using equity method	-	-	59.94	31.86	59.94	31.86
Profit before tax	49.68	41.83	638.97	535.69	688.65	577.52
Less: Tax expense	(22.94)	(31.82)	(73.44)	(154.64)	(96.38)	(186.46)
Profit after tax	26.74	10.01	565.53	381.05	592.27	391.06

C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Total Assets	735.58	581.68	13,710.78	10,672.30	14,446.36	11,253.98
Total Liabilities	627.34	501.47	9,152.27	6,349.38	9779.61	6850.85
Investment in joint ventures accounted for by equity method	-	-	695.57	558.89	695.57	558.89
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	22.88	25.15		1,957.63	1,911.55	1,982.78
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.06	0.07	45.93	34.99	45.99	35.06

D. Information about major customer

During the year ended March 31, 2022, Operating Revenue of approximately 61.52 % (54.69 %) derived from a single external customer in Domestic Segment.

42. Disclosure of Interest in Other Entities

Disclosures in compliance with Ind AS 112 "Disclosure of Interest in Other Entities" are as under:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(a) Investment in Joint Operations

Investment in following joint operations is accounted at cost.

S. No.	Name of the Joint Operation	Principal Place of Business and Country of Incorporation	As at 31 st March, 2022		As at 31 st March, 2021	
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights
i)	For projects in operation:					
	Express Freight Consortium	Guajrat and Maharashtra, India	30.00	30.00	30.00	30.00
	Express Freight Railway Consortium	Maharashtra, India	30.00	30.00	30.00	30.00
ii)	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
	IRCON-AFCONS	Bangladesh	53.00	53.00	53.00	53.00
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) 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, 2022		As at 31 st March, 2021		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	27.31	26.00	21.23	26.00	Equity Method
3	Chhattisgarh East-West Railway Limited	Chhattisgarh, India	26.00	26.00	26.02	26.00	Equity Method
4	Mahanadi Coal Railway Limited	Odisha, India	26.00	26.00	26.00	26.00	Equity Method
5	Jharkhand Central Railway Limited	Jharkhand, India	14.82	26.00	14.82	26.00	Equity Method

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For The Year Ended 31st March 2022

S. No.	Name of the Joint Venture Company	Principal Place of Business and Country of Incorporation	As at 31 st March, 2022		As at 31 st March, 2021		Accounting Method
			Proportion of direct ownership interest	Proportion of voting rights	Proportion of direct ownership interest	Proportion of voting rights	
6	Baster Railway Private Limited	Chhattisgarh, India	26.00	26.00	26.00	26.00	Equity Method
7	Indian railway Station Development Corporation Limited	Delhi-NCR, India	26.00	26.00	26.00	26.00	Equity Method

Summarised Financial Interest in Joint Operations (to the extent of Company's share)

(₹ in crore)

S. No.	Particulars	Name of the Joint Operation									
		IRCON-AFCONS		Express freight consortium		International Metro Civil Contractor		Metro Tunnelling Group		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	As at Year End:										
1	Assets										
	PPE	-	-	-	-	-	-	-	-	-	-
	Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
	Other Assets	0.52	0.68	-	-	4.37	4.64	2.07	4.86	6.96	10.18
2	Liabilities										
	Provisions	-	-	-	-	0.01	0.03	0.18	0.14	0.19	0.17
	Other Liabilities	-	-	-	-	0.91	0.91	0.05	0.07	0.96	0.98
	For the year end:										
3	Total Income	0.02	0.10	1.74	2.75	0.05	0.07	0.10	0.24	1.91	3.16
4	Total Expenses	0.19	-	0.78	1.64	0.01	-	0.01	0.03	0.99	1.67
5	Total Taxes	-	18.40	0.37	0.60	0.01	0.03	0.03	(0.06)	0.41	18.97
6	Profit after tax	(0.17)	(18.30)	0.59	0.51	0.03	0.04	0.06	0.27	0.51	(17.48)
7	Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
8	Total Comprehensive Income	(0.17)	(18.30)	0.59	0.51	0.03	0.04	0.06	0.27	0.51	(17.48)

Foot Note: Contingent Liabilities relating to Joint Operations are disclosed in Note 40.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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		As at 31 st March		As at 31 st March		As at 31 st March	
		2022	2021	2022	2021	2022	2021	2022	2021
1	Non-Current Assets	251.71	251.72	3057.91	2472.12	1327.93	936.79	0.00	183.67
2	Current Assets	42.41	50.06	216.63	254.26	199.51	97.37	392.15	174.52
	Total Assets (A)	294.12	301.78	3,274.54	2,726.39	1,527.44	1,034.15	392.15	358.19
3	Non-Current Liabilities	-	-	2,287.30	2,035.10	907.61	526.79	-	13.59
4	Current Liabilities	0.40	7.18	126.45	35.25	27.02	4.28	89.55	41.93
	Total Liabilities (B)	0.40	7.18	2,413.75	2,070.35	934.63	531.07	89.55	55.53
5	Net Assets (A-B)	293.71	294.60	860.79	656.03	592.81	503.08	302.60	302.67
	a) Includes Cash & Cash Equivalents	34.95	43.69	184.08	98.02	197.78	77.02	19.21	14.97
	b) Includes Financial Liabilities (excluding Trade payables and other payables and excluding provisions)	-	6.64	2,287.30	2,035.10	907.61	526.79	84.05	20.15

(₹ in crore)

S. No.	Particulars	Ircan - Soma Tollway Private Limited		Jharkhand Central Railway Limited		Mahanadi Coal Railway Limited	
		As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
1	Non-Current Assets	232.84	291.12	267.06	252.88	251.74	121.43
2	Current Assets	375.67	377.68	184.41	29.57	4.39	0.80
	Total Assets (A)	608.51	668.79	451.48	282.45	256.12	122.23
3	Non-Current Liabilities	309.11	334.08	-	136.59	-	-
4	Current Liabilities	118.59	160.71	2.70	55.01	167.05	123.10
	Total Liabilities (B)	427.70	494.79	2.70	191.59	167.05	123.10
5	Net Assets (A-B)	180.81	174.00	448.77	90.86	89.07	(0.87)
	a) Includes Cash & Cash Equivalents	46.06	2.91	82.42	29.35	4.35	0.79
	b) Includes Financial Liabilities (excluding Trade payables and other payables and excluding provisions)	370.66	458.25	0.06	55.00	166.81	122.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Summarised Statement of Profit and Loss of Joint Venture Companies:

(₹ in crore)

S. No.	Particulars	Bastar Railways Private Limited		Chhattisgarh East Railway Limited		Chhattisgarh East West Railway Limited		Indian Railway Stations Development Corporation Ltd	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	Revenue	-	-	37.59	33.77	-	-	36.54	30.59
2	Interest Income	2.18	1.82	-	-	-	-	8.44	7.97
3	Other Income	-	-	0.02	-	-	-	1.45	0.12
	Total Income	2.18	1.82	37.61	33.77	-	-	46.43	38.68
4	Expenses on Operations	-	-	17.12	10.38	-	-	31.27	20.82
5	Employee Benefit	-	-	-	-	-	-	5.39	6.36
6	Depreciation and amortisation	-	-	4.31	0.65	-	-	1.78	1.89
7	Finance Cost	-	-	23.09	45.76	-	-	1.97	0.78
8	Other Expenses	3.37	1.09	6.48	1.15	0.28	0.27	5.38	2.46
	Total Expenses	3.37	1.09	51.00	57.94	0.28	0.27	45.78	32.30
9	Income tax	0.30	(0.19)	75.72	31.94	-	-	-	(1.77)
10	Profit for the year	(0.89)	0.54	62.33	7.76	(0.28)	(0.27)	0.65	4.61
11	Other comprehensive income	-	-	-	-	-	-	-	-
12	Total comprehensive income	(0.89)	0.54	62.33	7.76	(0.28)	(0.27)	0.66	4.61

(₹ in crore)

S. No.	Particulars	Ircn - Soma Tollway Private Limited		Jharkhand Central Railway Limited		Mahanadi Coal Railway Limited	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	Revenue	243.24	193.88	-	-	-	-
2	Interest Income	8.70	11.91	3.14	2.24	0.06	0.02
3	Other Income	0.45	2.44	-	-	-	-
	Total Income	252.39	208.23	3.14	2.24	0.06	0.02
4	Expenses on Operations	40.43	43.84	0.05	0.04	-	-
5	Employee Benefit Expenses	0.65	0.54	-	-	-	-
6	Finance Cost	39.30	42.12	-	-	-	-
7	Depreciation and amortisation Expenses	58.43	58.39	-	-	-	-
8	Other Expenses	11.38	2.76	0.06	0.04	0.08	0.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Particulars	Ircon - Soma Tollway Private Limited		Jharkhand Central Railway Limited		Mahanadi Coal Railway Limited	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Total Expenses	150.19	147.65	0.11	0.08	0.08	0.08
9	Income tax	(13.36)	(5.62)	(1.01)	(0.88)	-	-
10	Profit for the year	88.84	54.96	2.02	1.28	(0.02)	(0.06)
11	Other comprehensive income	(0.02)	-	-	-	-	-
12	Total comprehensive income	88.82	54.96	2.02	1.28	(0.02)	(0.06)

Reconciliation of carrying amounts of Joint Venture Companies

(₹ in crore)

Particulars	Bastar Railways Private Limited		Chhattisgarh East Railway Limited		Chhattisgarh East West Railway Limited		Indian Railway Stations Development Corporation Ltd	
	As at 31 st March		As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening net assets	294.60	294.06	656.03	539.27	503.10	503.37	299.89	156.51
Profit for the year	(0.89)	0.54	62.33	7.76	(0.28)	(0.27)	(0.39)	4.53
Increase in paid up share capital	-	-	101.26	109.00	90.00	-	-	60.00
Other Comprehensive Income	-	-	-	-	-	-	0.24	-
Dividends paid	-	-	-	-	-	-	-	-
Equity component of other financial instruments	-	-	41.17	-	-	-	-	78.85
Other Adjustment (Application Money Pending Allotment)/	-	-	-	-	-	-	-	-
Share issue Expenses	-	-	-	-	-	-	-	-
Closing net assets	293.72	294.60	860.79	656.03	592.82	503.10	299.74	299.89
Group's share in %								
(i) In Paid up Share Capital and Profit	26.00%	26.00%	21.23%	21.23%	26.02%	26.02%	26.00%	50.00%
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-	-	-
Group's share								
(i) In Paid up Share Capital and Profit	76.37	76.60	224.92	141.37	156.84	130.91	57.35	62.56
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	(3.19)	-	-	-	-
Carrying amount	76.37	76.60	224.92	138.18	156.84	130.91	57.35	62.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

(₹ in crore)

Particulars	Ircan - Soma Tollway Private Limited		Jharkhand Central Railway Limited		Mahanadi Coal Railway Limited	
	As at 31 st March		As at 31 st March		As at 31 st March	
	2022	2021	2022	2021	2022	2021
Opening net assets	174.00	153.04	90.86	56.95	(0.87)	(0.81)
Profit for the year	88.84	54.96	2.02	1.28	(0.02)	(0.06)
Increase in paid up share capital	-	-	355.90	32.63	89.96	-
Other Comprehensive Income	(0.02)	-	-	-	-	-
Dividends paid	(82.00)	(34.00)	-	-	-	-
Equity component of other financial instruments	-	-	-	-	-	-
Other Adjustment (Application Money Pending Allotment)	-	-	-	-	-	-
Closing net assets	180.82	174.00	448.78	90.86	89.07	(0.87)
Group's share in %						
(i) In Paid up Share Capital and Profit	50.00%	50.00%	14.82%	14.82%	26.00%	26.00%
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-
Group's share						
(i) In Paid up Share Capital and Profit	90.41	87.00	13.94	13.64	25.76	(0.23)
Equity component of other financial instruments	-	-	50.00	50.00	-	-
Other Adjustments	-	-	-	-	-	0.23
Carrying amount	90.41	87.00	63.94	63.64	25.76	-

43. Revenue

A. Disaggregation of Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers into operating segment and type of product or services:

(₹ in crore)

Type of Product or Services	For the year ended March 31, 2022						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss / Segment Reporting
	Dosmestic	Foreign	Total	Input Method	Output Method		
Railways	5,909.63	468.26	6,377.89	6,368.18	9.71	9.83	6,387.72
Highway	796.15	-	796.15	796.15	-	2.07	798.22
Electrical	-	-	-	-	-	-	-
Building	141.99	-	141.99	141.99	-	-	141.99
Others	12.57	-	12.57	12.57	-	39.17	51.74
Total	6,860.34	468.26	7,328.60	7,318.89	9.71	51.07	7,379.67

Out of the total revenue recognised under Ind AS 115 during the year, ₹ 7318.89 crore is recognised over a

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

period of time and ₹ 9.71 crore recognised point in time.

(₹ in crore)

Type of Product or Services	For the year ended March 31, 2021						
	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	3,634.83	578.02	4,212.85	4,207.39	5.46	2.35	4,215.20
Highway	921.22	1.46	922.68	922.68	-	-	922.68
Electrical	0.02	-	0.02	0.02	-	-	0.02
Building	166.30	-	166.30	166.30	-	1.66	167.96
Others	12.34	-	12.34	12.34	-	31.63	43.97
Total	4,734.71	579.48	5,314.19	5,308.73	5.46	35.64	5,349.83

Out of the total revenue recognised under Ind AS 115 during the year, ₹ 5308.73 crore is recognised over a period of time and ₹ 5.46 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, 2022	As at 31 st March, 2021
Trade Receivables (Note 14.1)	695.19	630.77
Contract Assets (Note 10.3 and 14.6)	2,251.35	1,869.57
Contract Liabilities (Note 22 and 24)	3,523.29	2,413.83

- (i) Trade receivables are non-interest bearing and the customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. The Group’s average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days.
- (ii) Contract Assets are recognised over the period in which services are performed to represent the Group’s right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Group receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the year

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Contract asset at the Beginning of the year	1,869.57	1,450.07
Contract asset at the end of the year	2,251.35	1,869.57
Net increase/decrease	381.78	419.50

For the year 2021-22 and 2020-21 - There has been a net increase of ₹ 381.78 crore and ₹ 419.50 crore

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

respectively as compared to previous year mainly due to recognition of Revenue based on input method whereas bills for work done are certified based on contract condition.

During the year ended March 31st, 2022, ₹ 462.04 crore and March 31st 2021, ₹ 592.14 crore of contract assets as of April 1st, 2021 and April 1st 2020 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

(iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer.

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Contract liabilities at the beginning of the year	2,413.83	2,352.87
Contract liabilities at the end of the year	3,523.29	2,413.83
Net increase/decrease	1,109.46	60.96

For the year 2021-22 and 2020-21 - There has been a net increase of ₹ 1109.46 crore and ₹ 60.96 crore respectively as compared to previous year mainly due to advance received from the client.

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

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Amount included in contract liabilities at the beginning of the year	1,533.02	1,520.54
Performance obligation satisfied in previous years	-	-

E. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2022 is ₹ Nil (As at 31st March, 2021: ₹ Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is ₹ Nil (FY 2020-21: ₹ 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, 2022	As at 31 st March, 2021
Within one year	7,597.10	7,020.16
More than one year to 2 years	7,802.72	7,375.00
More than 2 years	29,317.00	21,689.00
Total	44,716.82	36,084.16

G Change in Accounting Estimates related to the Revenue Recognition:-

IVKEL has used the cost incurred as input to measure the progress towards satisfaction of performance obligation due to the uncertainty in measuring the performance obligation of construction of highway road, revenue was recognised to the extent of cost incurred up to 31.03.2021. Considering the substantial construction progress of the project, Management has now evaluated cost & revenue position and included the profit margin in the revenue in the year ended 31.03.2022 using cumulative catchup adjustment. Amount of revenue recognised from the performance obligation satisfied in previous years is ₹ 63.61 crore (₹ Nil). Further, impact on the movement of contract asset is as under:

(i) Significant changes in the contract assets balances during the year are as follow:

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For The Year Ended 31st March 2022

(₹ in crore)

Particulars	As at 31 st March, 2022
Contract Assets balance at the beginning of the year	632.15
Transfers from the contract assets recognized at the beginning of the year to receivables	189.93
Revenue recognized during the year, to be invoiced	319.40
Changes as a result of cumulative catch-up adjustment arising from change in estimates	79.63
Contract Assets balance at the end of the year	841.26

Service Concession Arrangements

Public to private service concession arrangements are recorded in accordance with Appendix “C”- Service Concession Arrangements (Ind AS-115). Appendix “C” is applicable if:

- The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- The Grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, a financial asset is recognized to the extent that the operator has an unconditional contractual right to receive cash or other financial asset from or at the discretion of the Grantor for the service.

These financial assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then stated at amortized cost at the end of each financial year or

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

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

Group has recognized financial asset of ₹ **1349.78 crore** (₹ 1096.07 crore) under service concession agreement upto the period ended 31st March 2022 after taking into account the receivables due from NHAI on completion of milestone as per terms of the contract. The Group has recognised revenue of ₹ **431.86 crore** (₹ 680.81 crore) & Profit of ₹ **74.43** (₹ Nil) Crore for the period upto 31st March 2022 on construction of Road under SCA as per Ind AS - 115 related to “Revenue from Customers”. The Group has recognized receivable under service concession arrangement and shown under Other Financial current Assets which it will receive as per terms of the contract based on the completion of milestone, as on 31st March 2022.

Group has recognized revenue of ₹ **28.55 crore** (₹ 11.67 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 ₹ **167.93 crore** (₹ 153.62 crore) from operation of toll roads.

44. Leases

a) Group as a Lessee

The Group as a lessee has entered into various lease contracts, which includes lease of land, office space, guest house and vehicles. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Group also has certain leases of offices and guest house with lease terms of 12 months or less. The Group applies the ‘short-term lease’ recognition exemptions for these leases.”

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 8.

Lease Liabilities

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

(₹ in crore)

	As at 31 st March, 2022
Balance at April 1, 2021	0.16
Addition	-
Accredition of interest	0.01
Payments	(0.01)
Balance at March 31, 2022	0.16
Current	0.01
Non-current	0.15

Amounts recognised in Statement of Profit and Loss

The maturity analysis of the lease liability is included in Note - 32 Financial risk management objectives and policies under maturities of financial liabilities.

(₹ in crore)

	As at 31 st March, 2022
Depreciation expense of right-of-use assets (Refer Note 31)	0.37
Interest expense on lease liabilities (Refer Note 30)	0.01
Expense relating to short-term leases (Refer Note 28 (iii))	4.96
	5.34

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)

	Within five years	More than five years	Total
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	-	-

b) Group as a Lessor

The Group has given building, Plant & Machinery and MFCs under operating lease which are cancellable by giving appropriate notices as per respective agreements.

- (i) Lease in respect of sub-leasing of MFCs - ₹ **14.34 crore** (₹ 11.08 crore). The one time down payment received/receivable from sub-lessee are recognised as income in the Statement of Profit & Loss on straight line basis over the lease term on pro rata basis.
- (ii) The Group has given buildings under operating lease. Lease income (rental and service charges) aggregating ₹ **9.10 crore** (₹ 8.15 crore) has been recognized in the Statement of Profit and Loss as per lease arrangements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

- (iii) The Group has given Machinery under operating lease. Lease income aggregating ₹ 13.54 crore (₹ 3.75 crore) has been recognized in the Statement of Profit and Loss as per lease arrangement.
- (iv) The Group has given a demarcated area adjacent to the Toll Road, within the terms of the Service Concession Arrangement with NHAI, on Lease for a Petrol Pump to be operated by Hindustan Petroleum Company Limited (HPCL) and Lease and operations of Rest Area to Synergy Engineers Group Private Limited. An amount of ₹ 0.17 crore (₹ 0.16 crore) was received from HPCL and ₹ 0.18 crore (₹ 0.16 crore) from Synergy as Lease payments.

Future minimum rentals receivable under non-cancellable operating leases is as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Within one year		
Demarcated Area	0.38	0.35
Multi Functional Complexes	20.25	18.22
After one year but not more than five years		
Demarcated Area	1.08	1.24
Multi Functional Complexes	117.39	112.72
More than five years		
Demarcated Area	2.40	2.62
Multi Functional Complexes	590.76	597.47

Note:

A Letter of award has been issued to the selected concessionaire for retail mall at Sector-43, Noida. Accordingly as per the terms one time lease payment has been received. However, certain obligations on the part of the concessionaire including entering into Concession Agreement is yet to be completed.

45. 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, 2022	As at 31 st March, 2021
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	5.10	14.53
	Interest due on above	-	0.24
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	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

S. No.	Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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	-	-

46. 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	As at 31 st March, 2022	As at 31 st March, 2021
Gross amount required to be spent by the Group during the year	10.50	10.27
Deposited and Claimed in earlier years, now refunded	-	0.15
Amount approved by the Board to be spent during the year	10.50	10.42

b) Amount spent on CSR Activities

(₹ in crore)

Particulars	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
	Paid in Cash	Yet to be Paid	Total	Paid in Cash	Yet to be Paid	Total
On Construction/acquisition of asset*	0.71	-	0.71	0.61		0.61
On purposes other than above	9.81	-	9.81	9.81		9.81
Total	10.52	-	10.52	10.42	-	10.42

Assets purchased and handed over to respective organisation and are not being hold by the group.

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

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Contribution to Prime Minister CARES Fund for fighting against COVID-19	8.26	8.54
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	0.87	0.84
Promoting Education, including special education and employment enhancing vocation skills especially among children.	0.32	0.35
Ensuring environmental sustainability	0.19	0.02
Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	-	0.35
Sports	0.38	0.19
Others (including Other Admin Cost)	0.50	0.13
Total	10.52	10.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

d) Details related to unspent obligations:

(₹ in crore)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unspent amount in relation to:		
- Ongoing project (#)	0.18	-
- Other than ongoing project (##)	-	-

Ongoing Project:

(₹ in crore)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	1.47	0.23	1.06	-	0.18

Other than ongoing project:

(₹ in crore)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	9.23	9.23	-

*Amount spent includes ₹ 0.29 crore relating to administrative cost.

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Opening Balance	-	-
Gross amount required to be spent by the Company during the year (as per (a) above)	10.50	10.42
Amount spent by the Company during the year (as per (b) above)*	10.52	10.42**
Shortfall/(Excess) amount spent by the company	(0.02)	-

* There are no related party transaction in respect to CSR expenditure

**During the previous year company has contributed in excess of ₹ 7.12 crore, which will be set off in succeeding years.

f) Other disclosure:

(₹ in crore)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard(1)	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

47. COVID -19 Disclosure

The Group has considered the possible effects that may result from Covid-19 in the preparation of its financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of Covid-19, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The actual impact of this global health pandemic may be different from that which has been estimated, as the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

Covid- 19 situation evolves in India and globally. However, the Company will continue to closely monitor any material changes to future economic conditions.

48. Other Regulatory Disclosure

- (a) The Group do not have any transactions with companies struck off.
- (b) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (c) The Group have not traded or invested in crypto currency or virtual currency during the financial year.
- (d) The Group have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (e) The Group have not received any fund from any person(s) or entity (is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (f) The Group does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (g) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (h) The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (i) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

49. Disclosure as required by Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors.

During the year the Holding Company has changed the accounting policy related to “Dividend”. There is no impact on the profitability of the Company, and the revised accounting policy is as below and amendments are highlighted in Bold.

Dividend

Annual Dividend distribution to the Holding Company’s equity shareholders is recognized as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognized as liability on approval by the Board of Directors. Dividend payable and corresponding tax on dividend distribution **if any**, is recognized directly in equity.

50. Recent pronouncement

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and the impact is not expected to be material.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 – Financial Instruments - 10 per cent test for derecognition of financial liabilities The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has evaluated the amendment and the impact is not expected to be material.

51. Other disclosures

- a) Holding Company has been claiming deduction under section 80 IA from AY 2000-01 to AY 2019-20. The deduction under section 80 IA has been allowed by Income Tax Appellate Tribunal (ITAT) upto AY 2013-14. However, Income Tax Department has filed appeal before High Court against order of ITAT for the AY 2000-01. Upto AY 2019-20 company was offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign countries are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals. This issue has been allowed in favour of Ircon by ITAT upto AY 2013-14.
- b) There are certain other matters pending in litigations against the group before various courts and appellate authorities on account of claims by some contractors in cost plus projects. In such cases, the Group envisages reimbursement from the Clients in full as per the terms of contract and expects no economic outflow of resources. In this respect, a total claim of ₹ **1432.67 crore** (₹ 2,134.49 crore) is under litigation, for which provision of ₹ **3.93 crore** (₹ 6.19 crore) has been made which has been reimbursed by the client. The Company has also made counter claims on the contractors of ₹ **615.65 crore** (₹ 1048.42 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 Group has provided liability of equivalent amount till final decision of the Court.
- d) The Group has a system of obtaining periodic confirmation of balances from banks and other parties. So far as trade / other payables and loans and advances are concerned, the balance confirmation letters were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on on-going basis. However, management does not expect to have any material financial impact of such pending confirmations / reconciliations.
- e) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- f) Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. These reclassifications have no effect on the reported results of operations.
- g) Previous year figures are shown under bracket () to differentiate from current year figures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

52. Additional information pursuant to Schedule III to the Companies Act, 2013 for the year end 31st March, 2022.

(₹ 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	67.14%	3,133.14	91.87%	544.12	100.00%	4.03	91.93%	548.15
Subsidiaries								
Ircon Shivpuri Guna Tollway Limited	1.33%	62.01	(2.03%)	(12.05)	-	-	(2.02%)	(12.05)
Ircon PB Tollway Limited	3.63%	169.40	(4.16%)	(24.62)	-	-	(4.13%)	(24.62)
Ircon Davanagere Haveri Highway Limited	4.20%	196.22	0.99%	5.87	-	-	0.98%	5.87
Ircon Infrastructure & Services Limited	3.12%	145.82	0.89%	5.27	-	-	0.88%	5.27
Ircon Vadodara Kim Express way Limited	5.14%	239.90	10.16%	60.16	-	-	10.09%	60.16
Ircon Gurgaon Rewari Highway Limited	0.39%	18.40	0.00%	(0.01)	-	-	0.00%	(0.01)
Ircon Renewable Power Limited	0.11%	4.98	(0.05%)	(0.29)	-	-	(0.05%)	(0.29)
Ircon Akoli Shirsad Expressway Limited	0.00%	0.05	0.00%	-	-	-	0.00%	-
Ircon Ludhiana Rupnagar Highway Limited	0.00%	0.05	0.00%	-	-	-	0.00%	-
Ircon Bhoj Morbe Expressway Limited	0.00%	0.05	0.00%	-	-	-	0.00%	-
Ircon Haridwar Bypass Limited	0.00%	0.05	0.00%	-	-	-	0.00%	-
Total Subsidiaries		3,970.07		578.45		4.03		582.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 31st March 2022

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 (₹)
Non- Controlling interest in Subsidiaries	0.02%	1.13	0.00%	-	-	-	0.00%	-
Net Amount of Subsidiaries		3,971.20		578.45		4.03		582.48
Joint Ventures								
Bastar Railways Private Limited	1.64%	76.37	(0.04%)	(0.23)	-	-	(0.04%)	(0.23)
Chattisgarh East Railway Limited	4.82%	224.92	2.68%	15.85	-	-	2.66%	15.85
Chattisgarh East West Railway Limited	3.36%	156.84	(0.01%)	(0.07)	-	-	(0.01%)	(0.07)
Ircon - Soma Tollway Private Limited	1.94%	90.40	0.58%	3.41	-	-	0.57%	3.41
Jharkhand Central Rail Limited	1.37%	63.94	0.05%	0.30	-	-	0.05%	0.30
Mahanadi Coal Railway Limited	0.55%	25.76	(0.04%)	(0.23)	-	-	(0.04%)	(0.23)
Indian Railway Stations Development Corporation Limited	1.23%	57.34	(0.88%)	(5.21)	-	-	(0.87%)	(5.21)
Total Joint Ventures		695.57		13.82		-		13.82
Net Total	100%	4,666.77	100%	592.27	100%	4.03	100%	596.30

As per our Report of even date attached

For and on behalf of Board of Directors

For HDSG & Associates

Chartered Accountants

FRN : 002871N

Sd/-

Harbir Singh Gulati

Partner

M. No. 084072

Sd/-

Ragini Advani

Director (Finance)

DIN-09575213

Sd/-

Mugunthan Boju Gowda

Chief Financial Officer

Sd/-

Yogesh Kumar Misra

Chairman & Managing Director,

CEO and Director (Works)

DIN-07654014

Sd/-

Ritu Arora

Company Secretary

FCS No. 5270

Place : New Delhi

Date : May 27, 2022

C&AG COMMENTS

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IRCON INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of Consolidated Financial Statements of **IRCON International Limited** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 July 2022 which supersedes their earlier Audit Report dated 27 May 2022

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Consolidated Financial Statements of IRCON International Limited for the year ended 31 March 2022 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of subsidiaries (as per Annexure - I) but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities (as per Annexure - II) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Further, Sections 139(5) and 143 (6) (a) of the Act are not applicable to IRCON-Soma Tollway Private Limited being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this Company.

In view of the revisions made in the Statutory Auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' report under Section 143(6)(b) of the Act.

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

Sd/-

(Vikram D. Murugaraj)

Principal Director of Audit

Railway Commercial, New Delhi

Place: New Delhi

Dated: August 23, 2022

C&AG COMMENTS

ANNEXURE - I

List of Subsidiaries, Associate Companies and Joint Ventures of IRCON International Limited, New Delhi, for which supplementary audit was conducted under Section 143 (6) (a) read with Section 139 (4) of the Companies Act, 2013 for the year 2021-22.

Subsidiaries

1. IRCON Infrastructure & Services Limited
2. IRCON Shivpuri Guna Tollway Limited
3. IRCON Davangere Haveri Highway Limited
4. IRCON Gurgaon Rewari Highway Limited

Joint Ventures

1. Indian Railway Stations Development Corporation Limited (IRSDC)

Sd/-

**Sr. Audit Officer (Co-ordination)
Railway Commercial**

ANNEXURE - II

List of Subsidiaries, Associate Companies and Joint Ventures of IRCON International Limited, New Delhi, for which supplementary audit was not conducted under Section 143 (6) (a) read with Section 129 (4) of the Companies Act, 2013 for the year 2021-22.

Subsidiaries

1. IRCON PB Tollway Limited
2. IRCON Vadodra Kim Expressway Limited
3. IRCON Renewable Power Limited
4. IRCON Haridwar Bypass Limited
5. IRCON Bhoj Expressway Limited
6. IRCON Ludhiana Rupnagar Highway Limited
7. IRCON Akloli-Shirsad Expressway Limited

Joint Ventures

1. Bastar Railway Private Limited (BRPL).
2. Jharkhand Central Railway Limited (JCR).
3. Mahanadi Coal Railway Limited (MCRL).
4. Chhattisgarh East Railway Limited (CERL).
5. Chhattisgarh East-West Railway Limited (CEWRL).

Sd/-

**Sr. Audit Officer (Co-ordination)
Railway Commercial**



इरकॉन

इरकॉन इंटरनेशनल लिमिटेड
IRCON INTERNATIONAL LIMITED

(A Government of India Undertaking)

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Registered Office

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