

# Creating A Sustainable Future



## Annual Report 2018-19



इरकॉन इंटरनेशनल लिमिटेड  
IRCON INTERNATIONAL LIMITED





## **VISION**

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



## **OUR MISSION**

- i) To effectively position the Company so as to meet the construction needs of infrastructure development of the changing economic scene in India and abroad.
- ii) To earn global recognition by providing high quality products and services in time and in conformity with the best engineering practices.



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## REFERENCE INFORMATION

(As on 22nd July 2019)

### Registered Office

C-4, District Centre, Saket,  
New Delhi – 110017  
Tel.: 91-11- 29565666  
Fax: 91-11-26522000 / 26854000  
E-Mail: [info@ircon.org](mailto:info@ircon.org)  
Website: [www.ircon.org](http://www.ircon.org)  
CIN : L45203DL1976GOI008171

### Company Secretary & Compliance Officer

Ms. Ritu Arora

### Statutory Auditors

M/s. K.G. Somani & Co.  
Chartered Accountants

### Cost Auditors

M/s. Chandra Wadhwa & Co.  
Cost Accountants

### Secretarial Auditors

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

### Bankers

Indian Overseas Bank, YES Bank,  
HDFC Bank, State Bank of India,  
IndusInd Bank and ICICI Bank.

### Registrar & Share Transfer Agent

#### Karvy Fintech Private Limited

“Karvy Selenium Tower-B”, Plot No. 31 & 32,  
Gachibowli, Financial District,  
Nanakramugda, Serilingampally,  
Hyderabad- 500032, Telangana  
Website: [www.karvyfintech.com](http://www.karvyfintech.com)  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Ph: +91 40 6716 2222, 3321 1000

### Shares Listed at

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

### Depositories

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

### Scrip Code

BSE: 541956  
NSE: IRCON

### ISIN

INE 962Y01013

## BOARD OF DIRECTORS

(As on 22nd July 2019)

### CHAIRMAN & MANAGING DIRECTOR



Shri S. K. Chaudhary

#### WHOLE-TIME DIRECTORS



Shri Deepak Sabhlok  
Director (Projects)



Shri M.K. Singh  
Director (Finance)



Shri Yogesh Kumar Misra  
Director (Works)

#### PART-TIME (OFFICIAL) DIRECTORS



Shri Piyush Agarwal



Shri Hari Mohan Gupta

#### INDEPENDENT DIRECTORS



Dr. C.B. Venkataramana



Dr. Narinder Singh Raina



Shri Ashok Kumar Ganju



Shri Avineesh Matta



Prof. (Ms.) Vasudha V. Kamat

## SENIOR EXECUTIVES



Shri Shyam Lal Gupta  
Executive Director - General



Shri A. K. Goyal  
Executive Director - Projects



Dr. Subhash Chand  
Executive Director - Electrical



Shri Anand Kumar Singh  
Executive Director - Finance



Shri Shailesh Kumar Sinha  
Project Director - Katni



Pramod Kumar Singh  
Project Director - Patna



Shri Basant Kumar  
Executive Director - Corporate Coordination



Shri R. S. Yadav  
Project Director - Vadodara



Shri Devendra Pratap Lal  
Executive Director - J&K

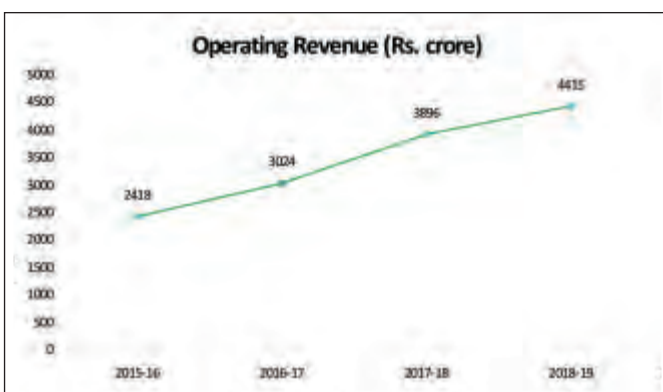
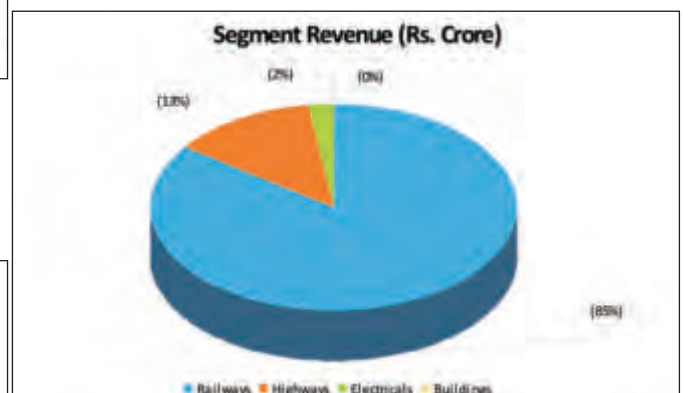
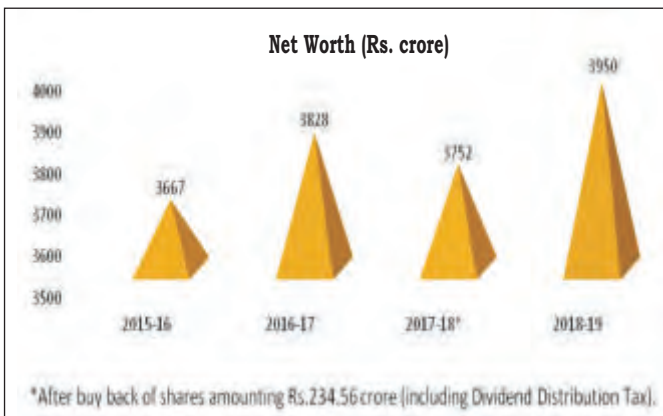
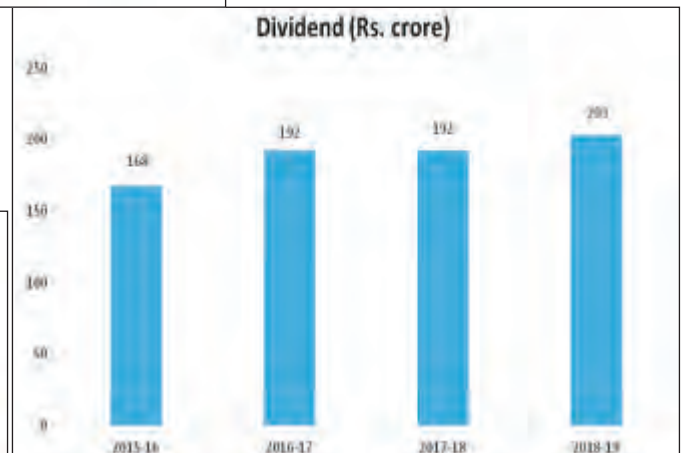
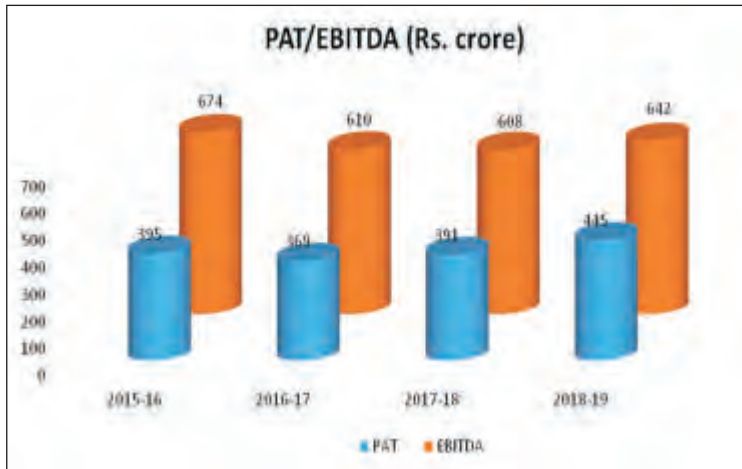


## Financial Highlights (Stand-alone)

( ₹ in crore)

Sl. No.	Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
1	<b>Operating Income</b>	4408	3870	2,934	2,418	2,950	4,067	4,232	3,601	3,182	3,153
2	Add/Less: Company Share of Turnover in Integrated JVs	7	26	90	-	89	(9)	(13)	(23)	(7)	(13)
3	Add: Company Share of Profit / (loss) in Integrated JVs	-	-	-	-	2	(1)	1	2	7	2
4	<b>Net Operating Income</b>	4,415	3,896	3,024	2,418	2,864	4,057	4,220	3,580	3,182	3,142
5	Other Income	265	227	230	442	258	250	251	181	72	64
6	<b>Total Income</b>	4,680	4,123	3,254	2,860	3,122	4,307	4,471	3,761	3,254	3,206
7	Expenditure (Incl. increase / decrease in stock)	4048	3577	2,766	2,222	2,267	3,024	3,412	3,102	2,816	2,901
8	Operating Margin (PBDIT)	631	546	488	638	854	1,283	1,059	659	438	305
9	Interest Expenses	4	-	12	8	-	-	-	-	-	-
10	Depreciation	12	13	18	28	10	34	44	57	37	41
11	Exceptional items	-	-	(74)	-	-	-	-	-	-	-
12	<b>Profit Before Tax</b>	615	533	532	602	844	1,249	1,015	602	401	264
13	<b>Profit After Tax</b>	445	391	369	395	579	907	730	470	241	182
14	Dividend for the Year	203	192	192	168	182	182	148	94	49	37
15	General Reserve	3334	3334	3,334	3,334	3,334	2,971	2,277	1,733	1,372	1,181
16	Retained Earnings	517	311	390	318	-	-	-	-	-	-
17	Other Comprehensive Income	(0.32)	9	5	(5)	-	-	-	-	-	-
18	Foreign Project Reserve	-	-	-	-	-	-	-	-	-	3
19	Other Reserves	5	4	-	-	-	2	3	-	-	5
20	Total Reserves & Surplus	3,856	3,658	3,729	3,647	3,334	2,973	2,280	1,733	1,372	1,189
21	Net Fixed Assets	128	134	137	149	163	170	180	196	244	236
22	Inventories	332	141	139	141	114	119	125	135	165	373
23	Foreign Exchange Earnings (net)	33	64	24	59	418	1,042	822	444	428	264
24	Share Capital	94.05	94.05	98,980	19,796	19,796	19,796	19,796	9,898	9,898	9,898
25	Capital Employed	6510	6952	3,828	3,667	3,354	2,993	2,300	1,743	1,382	1,205
26	Government Investments	-	-	-	-	-	-	-	-	-	-
27	<b>Net Worth</b>	3950	3,752	3,828	3,667	3,354	2,993	2,300	1,743	1,382	1,199
28	Profit Before Tax to Capital Employed (%)	9	8	14	16	25	42	44	35	29	22
29	Operating Margin to Capital Employed (%)	10	8	13	17	26	43	46	38	32	25
30	Profit After Tax to Share Capital (%)	473	416	373	1,995	2,924	4,578	3,687	4,747	2,429	1,841
31	Expenditure to Income (%)	86	86	86	78	73	70	76	82	87	90
32	Number of Employees	1576	1622	1,496	1,499	1,472	1,579	1,704	1,703	1,678	1,751
33	Income per Employee	2.97	2.54	2.18	1.91	2.12	2.73	2.62	2.21	1.94	1.83
34	Foreign Exchange Earning per Employee	0.02	0.04	0.02	0.04	0.28	0.66	0.48	0.26	0.25	0.15
35	Current Ratio	1.32	1.66	2.02	1.99	1.72	1.81	1.61	1.47	1.53	1.31
36	Debt/Equity Ratio	0.65	0.85	-	-	-	-	-	-	-	-
37	Investments	1314	1201	1,223	743	737	494	295	208	185	130

## Financial Indicators





## CHAIRMAN'S MESSAGE



### Dear Shareholders,

It gives me immense pleasure to present you the 43rd Annual Report of your Company. This year has been a landmark year in the history of the Company as your Company has achieved two major milestones. Firstly, it successfully completed the exercise of listing of its shares at BSE & NSE with overwhelming investors response; secondly, your Company has earned highest ever income of Rs.4680 crore and operating turnover of Rs.4415 crore, on a standalone basis, with improved profitability and highest order book. Your company has ranked among top 500 listed companies in India in terms of market capitalization as on 31st March, 2019.

I am delighted to highlight that IRCON has been ranked amongst the Top 500 Indian Companies in 'Fortune India 500 companies list' published in the special quarterly issue of December 15, 2018, to March 14, 2019 of Fortune India Magazine. Your Company has also been recognised and ranked amongst the Top 50 most profitable PSUs in India, the Top 10 best performing PSUs on the basis of cash efficiency, the Top 10 PSUs on the basis of book value (per share) in the February 2019 issue of Fortune India Magazine.

IRCON has executed many landmark construction projects in the last 43 years of its existence both in India and abroad. It has actively focused on becoming a diversified infrastructure player, both in terms of sectoral as well as geographical coverage.

The Annual Report for the financial year ended 31st March 2019, along with the Directors Report, Audited Financial

Statements and Auditors' Report of your Company have already been sent to you.

### Financial Performance

The operating income of your Company has registered an increase of 13.47% from Rs.3891 crore in 2017-18 to Rs.4415 crore in 2018-19. The operating turnover from the domestic segment has reported an increase of 16.46% i.e. from Rs.3499 crore in 2017-18 to Rs.4075 crore in 2018-19; however, operating income from foreign projects has decreased by 2.59% over the previous year. The main reasons for lower contribution of foreign turnover are that the project at South Africa is nearly at completion stage, one project at Bangladesh has been completed this year and other projects at Bangladesh, Nepal and Algeria are going on.

The profit before tax and profit after tax for the year under review were Rs.615 crore and Rs.445 crore respectively registering an increase of 16.04% and 14.69% respectively over the previous year. The earning per share for the year 2018-19 has increased to Rs.47.28 as compared to Rs.39.70 in the previous year.

On a consolidated basis, your Company has recorded an income of Rs.4990 crore during the financial year ended 31st March 2019 and achieved a consolidated Net Profit of Rs.450.07 crore for the said financial year. Further, I would like to mention that the Comptroller & Auditor General of India (C&AG) have given 'NIL' comments on the financial statements (standalone and consolidated) for the financial year 2018-19.

These outstanding results were achieved by your company

despite increased competition from domestic and international market. I am confident that we would continue to deliver growth, set new benchmarks for the Company and continue to meet expectations of all stakeholders.

#### Dividend

Your Company has already paid an interim dividend of Rs.10.72 per share in the month of February, 2019. The Company now proposes a final dividend of Rs.10.825 per share. With this, the total dividend (including Dividend Distribution Tax) for the year 2018-19 would sum up to Rs.202.63 crore, which is 215.45% on the paid-up equity share capital and 45.57% of the post-tax profits.

The Company also plans to increase public shareholding to at least 25% in near future as part of Minimum Public Shareholding (MPS) norms prescribed as a continuous listing requirement under Securities Contract (Regulations) Rules, 1957.

#### Operational Performance

It is a matter of pride that as of March 31, 2019, your Company has made tremendous progress over the years and so far completed more than 128 projects in 24 countries across the globe, and 383 projects in India.

**A. Project Performance** - During the year under review, IRCON has successfully completed Majuba Rail Project in South Africa for procurement of Plant Design, Supply and Installation of Overhead Track Equipments, Traction Substations, Auxiliary Power Supplies Substations, Bulk Power Supplies Switching Stations and Signalling Systems. The work was secured in November 2015 for a value of Rs.345 crore (Rand 663 million, Rand 1 = 5.212).

In the domestic segment, IRCON has also completed three projects in India. This includes two highway projects on BOT model viz. Shivpuri to Guna in Madhya Pradesh which got completed ahead of schedule and Bikaner to Phalodi in Rajasthan and one electrical project of PVNNL, Uttar Pradesh.

**B. Order Book** - Your Company has secured Orders worth Rs.7635 crore during 2018-19. As on 31st March, 2019, the order book value stood at Rs.33,901 crore. After the close of the year, the Company has secured one new foreign project in Sri Lanka from Sri Lankan Railways under the Ministry of Transport and Civil Aviation, Government of Sri Lanka for Up-gradation of Railway Line from Maho to Omanthai under Indian Line of Credit, Track Rehabilitation and ancillary works at a value of USD 91.27 Million (equivalent to approx. INR 635 crore). In this project, IRCON will upgrade single line broad gauge track from Maho-Omanthai of around 128 km length including associated infrastructure works. The project was awarded at the end of April 2019 and is to be completed within 36 months. The project is financed through EXIM Bank of India as per Indian Lines of Credit.

**C.** In view of the healthy order book and huge investments taking place in Railways, Highways and other infrastructure projects by the Government of India, I am confident that the accelerated growth of your company will continue in years to come. This increase was due to orders flowing in from various infrastructure projects in railways, metros, highways/ roads segments. The focus of the management is to ensure timely execution of these orders with quality standards and complete client satisfaction.

**D. Subsidiary and Joint Venture Companies** - As on 31st March 2019, IRCON has five wholly-owned subsidiary companies, out of which four are Special Purpose Vehicles

(SPVs) created for execution of projects of NHAI.

IRCON also has 50% shareholding in two joint venture (JV) companies and . 26% shareholding in five JV companies incorporated mainly for coal connectivity projects in the States of Chhattisgarh, Jharkhand, and Odisha. The details of all subsidiaries and joint venture companies are provided in the Directors' Report.

**E. Recognitions** - The rating of the Company under the Memorandum of Understanding for the year 2017-18 signed with the Ministry of Railways has been 'Excellent'. The Company expects to achieve 'Excellent' rating for the year 2018-19 also. Your company has signed MOU for FY 2019-20 with the Government of India for setting performance target for excellent rating showing Revenue from Operations of Rs.5200 crore. I am confident that with the sustained efforts of IRCONIANS we will achieve the enhanced performance targets.

Apart from these recognitions, your Company's has been conferred various awards during the year 2018-19, which have been detailed in the Directors' Report.

#### Way Forward

IRCON has experience in construction of Railways projects, highways and roads in conformity with the international standards, both in India and abroad. With the Government proposing to increase spending in these sectors, IRCON is having opportunities in the areas of Metro Rail projects; Construction of National Highways in Indian states in areas such as connectivity of secondary cities, ports and various regions; Connecting habitations with rural roads through Pradhan Mantri Gram Sadak Yojana (PMGSY); Bharatmala Pariyogana for the highways sector; Commissioning of Broad Gauge lines; Stations Redevelopment programme which is envisaged to be done by leveraging commercial development near the stations; etc.

A large number of high value projects are coming up in the Highway sector on EPC, DBFOT, HAM, and Annuity basis. With this experience, the Company is geared up to undertake turnkey projects under new project execution models including EPC / HAM and Annuity in the Railways, Highways and other infrastructure projects. We see large opportunities in the projects of Indian Railways like implementation of Mumbai-Ahmedabad High Speed Rail Corridor with Japanese funding and other projects to be bid out on EPC and DBFOT basis.

On the international front, IRCON has proved to be extremely competitive in foreign projects in the past in Bangladesh and Sri Lanka and shall continue efforts to secure more projects in these countries. Opportunities also exists for undertaking turnkey Railway projects on Government to Government basis with Ministry of Transport, Malaysia.

In the next couple of years, with a vision to almost double its turnover, the Company intends to focus intensively on further diversifying into various other segments where its presence is either non-existent or insignificant. To achieve this goal, the Company shall 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.

#### Human Resource

Being a progressive organization, your Company firmly believes in the strength of its most vital asset i.e. Human Resource. Human Resource Management (HRM) of IRCON is primarily concerned with the management of people within the organization, focusing on policies and systems. HRM in IRCON is designed to maximize employee performance to achieve

strategic objectives. The Company has adopted and aligned its HR strategy vis-a-vis systems & procedures taking into account the business objectives and competence building needed for the organization.

During the year under review, new appointment of 171 employees have been made which included 102 on regular, 5 on deputation, and 64 on contract basis.

#### **Governance and CSR & Sustainability**

**A. Corporate Governance** - Your company is implementing the tenets of Corporate Governance in letter and spirit. Your company accords highest importance to transparency, accountability and equity in all facets of its operations. Your Company is adhering to the provisions contained in the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, Companies Act 2013, and DPE Corporate Governance Guidelines 2010 and other applicable regulatory requirements. A certificate on Compliance of conditions of Corporate Governance under the SEBI Regulation and DPE Guidelines on Corporate Governance forms part of the Directors' Report for the year 2018-19.

**B. CSR & Sustainability** - During the year, your company has spent Rs.8.75 crore towards various CSR activities in promoting flagship programmes like Skill India, Digital India, Sarva Shiksha Abhiyan, Swachh Bharat, Namami Gange etc. and areas like gender equality and women empowerment, environment sustainability, employment enhancing vocational skills, welfare activities for SC/ST/OBCs, minorities and women, etc.

**Your Company has won** ET NOW - Stars of the Industry Award; 11th CIDC Vishwakarma Award for CSR practices in Raigarh (Chhattisgarh); and CIDC Partners in progress Trophy for contribution in Mission Skill India.

**C. Information Technology** - To enhance the level of transparency and provide timely information to the public, the Company has in place three mobile applications (apps) namely IRCON Careers, IRCON CSR and IRCON Tenders. All these three mobile apps are available on Android play store as well as on Apple app store. With emphasis on

transparency, several initiatives were implemented during the year. All details related to vacancies, recruitments, e-procurements & tenders, policies & procedures for use by employees, employees' service portals, inspection calls registration and status etc. have been made accessible online.

#### **Acknowledgement**

Before I conclude, I express my gratitude to our esteemed shareholders, my colleagues on the Board of Directors and to the Chairman, Members and Officers of the Railway Board, for their valuable support, advice and co-operation and the unstinted support and trust placed in the Company and look forward to their continued support. I am also thankful for the whole-hearted support received from the Government of India, other Ministries and Departments of Government of India, Financial Institutions, Banks, Comptroller & Auditor General of India (C&AG), Statutory Auditors, Cost Auditors and Secretarial Auditors. I would like to express my sincere and heartiest thanks to Department of Investment and Public Asset Management (DIPAM), Security and Exchange Board of India (SEBI), Stock Exchanges i.e. National Stock Exchange of India Ltd. and BSE Ltd. and Registrar of Companies (ROC) for their guidance and support throughout the IPO process.

I, on behalf of the entire Board of Directors, sincerely place my appreciation for the good work done by all the employees at all levels of the Company for their commitment and hard work that has helped in delivering another successful year for the Company.

I look forward to your continued support in this journey and I am confident that with its sustainable track record and global reputation, your company will achieve new heights of success by effectively harnessing the host of opportunities and business that is expected in future.

Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director

## DIRECTORS' REPORT

### DISTINGUISHED SHAREHOLDERS

The Directors of your Company have pleasure in presenting their 43rd Report on the affairs of the Company for the financial year 2018-19.

### 1. FINANCIAL PERFORMANCE / HIGHLIGHTS

A. The financial performance of the Company for the year 2018-19 vis-à-vis 2017-18 are given below:

(₹ in crore)

Sl. No.	Particulars	2018-19	2017-18	Increase / (Decrease) [in %]
<b>Financial Results:</b>				
1.	Total income / turnover	<b>4680</b>	4121	13.56
2.	Total Operating income / turnover	<b>4415</b>	3891	13.47
3.	Operating income from Foreign Projects	<b>585</b>	601	(2.50)
4.	Operating income from Indian Projects	<b>3829</b>	3290	16.38
5.	Profit before tax	<b>615</b>	530	16.04
6.	Profit after tax	<b>445</b>	388	14.69
7.	Net worth	<b>3950</b>	3751	5.31
<b>Appropriations:</b>				
8.	Dividend (Final & Interim)	<b>202.63**</b>	192.40	5.32
9.	Dividend Distribution Tax	<b>41.66</b>	39.36	5.84
10.	Transfer to Reserve Capital Redemption Reserve	-	4.93 *	-
11.	Earnings per share (Rs.)	<b>47.28</b>	39.70	19.09

\* Rs.4.93 crore transferred to capital redemption reserve account for buy-back of equity shares, which is equal to nominal amount of equity shares so bought back and extinguished during 2017-18.

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

On a consolidated basis, your Company has recorded an income of Rs.4989.61 crore during the financial year ended 31st March 2019 and achieved consolidated Net Profit of Rs.450.07 crore for the said financial year.

### B. Foreign Exchange Earnings and Outgo:

The Company has earned a foreign exchange of Rs.639.62 crore during 2018-19 as compared to Rs.450 crore earned during 2017-18. The foreign exchange outgo stood at Rs.607.6 crore during 2018-19 as compared to Rs.386 crore during 2017-18. Thus, the net foreign exchange earnings have decreased by 49.9% i.e. from Rs.64 crore in 2017-18 to Rs.32.01 crore in 2018-19 due to decrease in operating turnover from foreign projects.

### C. Dividend:

The Board of Directors had declared an interim dividend of Rs.10.72 per equity share (i.e. 107.20% on the paid-up equity share capital of Rs.94.05 crore) amounting to Rs.100.82 crore (approx.) on the paid-up share capital of Rs.94.05 crore, in February 2019. The said interim dividend was paid to all the shareholders on 26th February 2019.

Further, the Board of Directors in its meeting held on 28th May 2019 has recommended, a final dividend (over and above the interim dividend) of Rs.10.825 per equity share (i.e. 108.25% on the paid-up equity share capital of Rs.94.05 crore) amounting to ₹101.81 crore, out of profit for the year 2018-19, subject to approval of the shareholders. With this, the total dividend for year 2018-19 would be aggregated to Rs.202.63 crore (i.e. 215.45% on the paid-up equity share capital of Rs.94.05 crore), which

works out to 45.57% of the post-tax profits for 2018-19. After approval and payment of the proposed dividend, the cumulative dividend to shareholders up to 2018-19 will stand at Rs.1694.94 crore.

The Company is committed to enhance shareholder value and has a track record of paying dividend without fail since 1980-81.

Consequent upon listing of shares at the stock exchanges and based on market capitalization, your Company is among the top 500 companies listed on NSE & BSE. In pursuance to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), your Company has in place a Dividend Distribution Policy which has been approved by its Board of Directors. Dividend Distribution Policy is available on the Company's website at [www.ircon.org](http://www.ircon.org) and also provided separately in the Annual Report.

### D. Disinvestment through IPO

The Government of India announced the divestment in Company's shares in the financial year 2017-18. Accordingly, Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, appointed IDBI Capital Markets & Securities Limited, Axis Capital Limited, SBI Capital Markets Limited as Book Running Lead Managers (BRLMs) and Crawford Bayley & Co. & Hogan Lovells International LLP as Legal Advisors for disinvestment of 99,05,157 equity shares i.e. 10.53% of the paid up equity share capital of the Company through Initial Public Offering (IPO) of shares by the Promoters (i.e.

Government of India) to the public. The Company's public issue was subscribed more than 10 times and shares got listed on 28th September, 2018 on BSE Limited and National Stock Exchange of India Limited. Listing of equity shares will enhance the company visibility and brand image and provide liquidity to the shareholders. Listing will also provide a public market for the equity shares in India.

Post IPO, the President of India along with the nominees hold 8,38,78,417 equity shares i.e. 89.18% of the paid up equity share capital of the Company.

Based on current market price of IRCON, it is in the list of top 500 listed companies as on 31st March 2019.



Listing Ceremony on 28.09.2018

#### E. Share Capital / Dematerialization:

As on 31st March 2019, the Authorized share capital of the Company was Rs.400 crore consisting of 40 crore equity shares of Rs.10/- each and the issued and paid-up share capital of the Company was Rs.94.05 crore consisting of 9,40,51,574 equity shares of Rs.10/- each. All the shares (except only 17 shares in physical form) are held in dematerialized form.

The details of dematerialization of shares, Demat Suspense Account / Unclaimed Suspense Account is provided in the Corporate Governance Report.

#### F. Material changes and commitments affecting the Financial Position

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

#### 2. ORDER BOOK

In our industry, an order book is considered an indicator of future performance since it represents a portion of anticipated future revenue. Your 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.

During the year 2018-19, the Company secured works worth Rs.7635 crore. The order book as on 31st March 2019 stood at Rs.33,901 crore (approx.) as compared to Rs.22,407 crore (approx.) as on 31st March 2018.

#### 3. OPERATIONAL PERFORMANCE

##### I. Foreign Projects:

Contribution of foreign projects to total revenue has decreased from approximately 14.58% in Fiscal Year 2018 to approximately 12.52% in Fiscal Year 2019. The drop in foreign project income is mainly due to completion of the

foreign projects in South Africa. Nevertheless, this fall in revenue from projects in foreign countries has been partially offset by our performance in the domestic market, and we continue to actively participate in new projects in foreign countries, including one ongoing project in Bangladesh and one in Algeria. By continuing to diversify our business and geographical focus, your Company strives to secure a broader range of projects to maximize business volume and profit margins.

#### A. Completed Foreign Projects:

Your Company has completed one project in South Africa during the financial year 2018-19.

##### South Africa

The project for procurement of Plant Design, Supply and Installation of Overhead Track Equipments, Traction Substations, Auxiliary Power Supplies Substations, Bulk Power Supplies Switching Stations and Signalling Systems for Majuba Rail Project, South Africa, for Eskom Holdings SOC Limited, at a value of Rs.345 crore (Rand 663 million, Rand 1 = 5.212). The work was secured in November 2015 and has been completed in December 2018.

#### B. On-going Foreign projects:

Your Company is executing the following two projects in foreign countries:

##### Bangladesh

1. Construction of Embankment, Track, all civil works, major & minor bridges (Except Rupsha) & culverts and implementation of EMP against Package WD1 under the project Construction of Khulna-Mongla Port Rail Line for Bangladesh Railway, at a value of Rs.911 crore (USD 147.80 million). The physical progress up to March 2019 is 49.50%. The work was commenced in March 2016 and is scheduled for completion in September 2020.



Dual gauge Railway line Bangladesh

Initially the project progressed slowly due to late handing over of encumbrance free land and issuance of drawings for alignment (L-section and X-section), bridges and buildings by the Engineer/Bangladesh Railway. However, now the project is in full swing and track linking between Phultana and Aranghata (Phase-I) is expected to start in September 2019.

##### Algeria

2. Installation of double track line (93 kms) in Algeria awarded by ANESRIF, Ministry of Transport, Government of Algeria, initially awarded at a value of Algerian Dinar Cr. 1628 (Rs.1003 crore converted)

involving construction of second line and upgradation of existing line, with diversion of 10 Kms from Ouedsly to Yellel in Algiers-Oran section of Algerian Railways. The value of contract including additional works for realization of double line has been revised to Rs.1747 crore (converted). The project was awarded in 2008 and is likely to be completed in June 2020. The reasons for delay are significant increase in scope of works, delay in payments due to non-allocation of funds to the project, excessive delay in approval of amendments, delay in approval of drawings and removal of obstructions and delay in resolving the discrepancy in mode of payments etc.

The work of 72 kms new track has been handed over to the client in spite of the cash flow problems which are hampering progress particularly the structural works awarded to sub-contractors. Work on the existing line has also started in the first stretch of 13 kms, 6 out of 7 station buildings are ready to be handed over and the bridge construction work has also picked up with assurance of timely payments. With the improvement in international oil prices, the client has assured uninterrupted payments which will improve the progress of works for likely completion by June 2020.



IRCON has already executed five high-value Railway Projects in Northern Sri Lanka with a cumulative contract value of over USD 645 Million.

#### C. New Projects secured after the close of the year:

After the close of the year 2018-19, your Company secured one project in Sri Lanka viz. Up-gradation of Railway Line from Maho to Omanthai under Indian Line of Credit, Track Rehabilitation and ancillary works awarded by Sri Lankan Railways under the Ministry of Transport and Civil Aviation, Government of Sri Lanka at a value of USD 91.27 Million (equivalent to approx. INR 635 crore). Under the project, IRCON will upgrade single line broad gauge track from Maho-Omanthai of around 128 km length including associated infrastructure works. The project was awarded at the end of April 2019 and is to be completed within 36 months. The project is financed through EXIM Bank of India as per Indian lines of credit.

#### D. Likely Foreign projects:

Your Company endeavours to continue its strategy of

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

#### II. Domestic Projects:

Since incorporation, your Company has diversified into various infrastructure sectors and is now an established player in the field of railways and highways construction. Your Company also caters to customers' needs in many other areas such as construction of commercial and residential complexes, power transmission lines, industrial lighting, bridge/fly-overs, tunnels, commercial, residential and retail properties, electrical and mechanical work, signaling/telecom, coach factory, station building, multi-function complex, and airports. The variety of project portfolio de-risks our construction business and reduces our dependence on any one sector or type of project.

#### E. Project Completed in India:

During the financial year 2018-2019, following three projects in India got completed:

1. Widening and Strengthening of existing Bikaner-Phalodi section to Four-lane from Km. 4.200 to Km. 55.250 and Two-Lane with paved shoulder from Km. 55.250 to Km. 163.500 of NH-15 on BOT (Toll) basis in the State of Rajasthan, for Ircon PB Tollway Limited (IrconPBTL) at a value of Rs.681 crore. Further, the target as envisaged in MOU for the year 2018-19 for excellent rating for commencement of Toll Operation for 75% length in respect of Bikaner-Phalodi Highway Project has been completed.



Inaguration of Bikaner-Phalodi Highway by Sh. Nitin Gadkari, Minister of Road Transport

2. Four-laning of Shivpuri to Guna from Km 236.00 to Km 332.100 (Package-I) in the State of Madhya Pradesh to be executed on BOT (Toll) on DBFOT pattern under NHDP Phase-IV, for Ircon Shivpuri Guna Tollway Limited (IrconSGTL) at a value of Rs.670 crore.
3. The work of system improvement, strengthening and augmentation of distribution system to bring down AT&C losses and improve quality of consumer supply of Meerut town of Uttar Pradesh, to be carried out under RAPDRP Part-B scheme on turnkey basis including supply of material, for PVVNL at a value of Rs.329 crore.

#### F. New Projects in India:

During 2018-19, your Company took the following projects

in India for a total value Rs.7635 crore in its order book:

1. Construction of New BG Electrified Rail Line between Dharamjaigarh to Korba (Urga) of Chhattisgarh East Railway Limited (CERL-II) at total value of Rs.1138 crore;
2. Construction of Corridor-III of East West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh for Chhattisgarh East-West Railway Limited (CEWRL) at value of Rs.260 crore;
3. Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL), at value of Rs.1139 crore as per approved DPR.
4. Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL), at value of Rs.1079 crore.
5. Execution of rail connectivity projects identified by Bastar Railway Private Limited (BRPL), at value of Rs.1513 crore.
6. Construction of Eight Lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase-VI on Hybrid Annuity Mode (Phase IA-Package II), for Ircon Vadodara Kim Expressway Limited (IrconVKEL) at value of Rs.1378 crore.
7. Additional work under the Construction of Sivok-Rangpo New BG Rail Link Project, for North-East Frontier Railway at a value of Rs.1128 crore.

**G. Commercial Development of 4.3 Hectare Railway land at Western Express Highway, Bandra East, Mumbai for 99 years**

Your Company has entered into a Memorandum of Understanding on 26th March 2018 with the Rail Land Development Authority (RLDA) for transfer of lease hold rights to IRCON for commercial development on the land parcel measuring 4.3 (four point three) Hectare at Bandra East, Mumbai, Maharashtra, against the payment of Upfront Lease Premium. In consideration of its roles and responsibilities, IRCON shall be entitled to receive from RLDA, an amount equivalent to a total of 3% (three percent) of the Upfront Lease Premium. In order to pay upfront lease premium equivalent to guidance price as approved by RLDA, GST, Stamp Duty and Registration Charges a tripartite loan agreement has been signed amongst IRCON, RLDA and Indian Railway Finance Corporation Limited (IRFC) on 28th March 2018. RLDA has agreed to pay to IRCON such amounts as may be required by IRCON to meet their debt servicing obligations as and when due under this Agreement. Further the Ministry of Railways also has agreed to provide corresponding amounts to RLDA. The servicing of loan to IRFC is the responsibility of RLDA / Ministry of Railways.

**H. On-going major Projects in India:**

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

**4. SUBSIDIARY COMPANIES, JOINT VENTURE COMPANIES, AND ASSOCIATE COMPANIES**

A brief background on the subsidiaries (including the new wholly-owned subsidiary formed during the year -- Ircon Vadodara Kim Expressway Limited incorporated on 16th

May 2018) and joint ventures companies of IRCON along with their financials and performance is given at **Appendix - B**.

**5. FINANCIAL STATEMENTS (STANDALONE AND CONSOLIDATED) & GREEN INITIATIVES**

The Board of Directors of your Company has, at its meeting held on 28th May 2019, approved the Financial Statements for 2018-19 (Standalone and Consolidated).

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared its Consolidated Financial Statements [as per line by line method] with its five subsidiaries viz. IrconISL, IrconPBTL, IrconSGTL, IrconDHHL and IrconVKEL (for the period from 16.05.2018 to 31.03.2019); and [as per equity method] with seven joint venture companies viz. IRSDC, ISTPL, CERL, CEWRL, MCRL, JCRL, and BRPL. The accounts of un-incorporated joint ventures have been included in the standalone financial statements for the financial year 2018-19.

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

As part of green initiatives, electronic delivery of notice of Annual General Meeting (AGM) and Annual Report is being done to those shareholders whose E-mail Ids are already registered with the respective Depository Participants (DPs) and downloaded from the depositories i.e. NSDL / CDSL and who have not opted for receiving Annual Report in physical form. Accordingly, unless otherwise desired by the shareholders, the Company sends all documents to the shareholders viz. Notice, intimation for dividend, Annual Report etc. in electronic form to their registered e-mail addresses.

**6. COMPLIANCES**

**A. Presidential Directive:**

Ministry of Railways has conveyed its decision of disinvestment of its shareholding in the Company through Initial Public Offering. Accordingly, Government of India has disinvested 10.53% (95,05,157 equity shares) of its shareholding by way of Initial Public Offering and your Company was listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 28th September 2018.

**B. CPSE Conclave:**

Hon'ble Prime Minister during his address at the CPSE Conclave held on 9th April 2018 at Vigyan Bhawan, New Delhi had given a number of action points for CPSEs including the suggestion to hold Annual General / Board meetings of CPSEs at new tourist destinations instead of the well-known and established destinations, as such a step will help to boost tourism sector in the country. Accordingly, the Department of Public Enterprises (DPE) vide its OM dated 24th May 2018 and 18th July 2018 suggested destinations to hold such meetings. In compliance to these directions, one meeting of the Company was held at Bhopal, Madhya Pradesh (Sanchi, UNESCO World heritage site). The other compliances are being updated on monthly basis at DRISHTI Dashboard.

**C. Official language:**

The Company is undertaking various novel and encouraging initiatives for extensive use of Hindi in the

office. Some of them are:

- a) Pledge by all employees to work in Hindi completely on last Monday of every month.
- b) Rajbhasha Sanghasthi is being conducted on quarterly basis in Corporate Office.



Rajbhasha Award by Nagar Rajbhasha Karyanvyan Samiti NARAKAS (Upkrama-I)

- c) Birthday wishes to employees, a thought and a word contributed by different departments on rotational basis, poem by renowned poets etc. are being displayed in Hindi at the reception.

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. 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.

In recognition of the efforts of the Company for effective implementation of Official Language during the year 2017-18, the Company was bestowed with the Award and Certificate for outstanding Implementation of Official Language Policy in 2018-19. The details of the award are mention herein below.

#### D. Right to Information Act, 2005:

As per the requirements of the RTI Act, necessary updated information including the names of Appellate Authority, Central Public Information Officer, Assistant Public Information Officer and State Level Public Information Officers are posted on IRCON's website. Queries received have been replied within the stipulated time. The queries mostly related to service matters/recruitments, finance, contract, and projects. The details of RTI cases have been

published in the Central Information Commission (CIC) website on quarterly as well as annual basis and a copy of the same is forwarded to the Ministry of Railways for information.

During the year 2018-19, 202 applications and 30 first appeals were received and at the beginning of the year 10 applications were under process for disposal within the allowable time limit. Out of this, 208 applications (including opening balance of 10 applications) and 29 first appeals were processed / disposed off. As on 31st March 2019, 04 applications and 01 appeal were under process for disposal within the allowable time limit.

#### E. Compliance of MSME Guidelines for implementation of Purchase Preference Policy:

Your Company has in place a comprehensive Purchase Preference Policy since June 2012 which is in line with the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 notified by the Ministry of Micro, Small and Medium Enterprises (MSME) under section 11 of Micro, Small and Medium Enterprises Development Act, 2006. The e-procurement portal of IRCON provides for facilitation of registration of MSEs firms registered with any statutory bodies specified by Ministry of MSME, and participation in e-tender by availing the benefits of exemption from payment of cost of tender fee and Earnest Money.

During the financial year 2018-19, your Company has procured items valuing Rs.71.41 crore from MSEs vendor against the expenditure valuing Rs.342.19 crore towards materials and stores. Value of items beyond scope / capacity of MSE Vendors amounts to Rs.180.15 crore. Therefore, your Company has achieved 44% of total procurement from MSEs after excluding the value of items beyond the scope / capacity of MSEs in compliance to Procurement Policy during the Financial Year 2018-19.

During the year 2018-19, your Company has conducted a special national development Programme at the Corporate Office for MSEs including SC/ST entrepreneurs on 27th February 2019.

In exercise of powers conferred by section 9 of the Micro, Small and Medium Enterprise Development Act, 2006 (27 of 2006), the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than Rs.500 crore and all CPSEs shall be required to get themselves on boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. The Registrar of Companies (RoC) in each State shall be the competent authority to monitor the compliance of such instructions by CPSEs and also the Department of Public Enterprises. Government of India shall be the competent authority to monitor the compliance of such instructions by the CPSEs. In compliance to the above instruction, your Company has boarded on the TReDS platform w.e.f. 25th January 2018 to facilitate financing of trade receivables of MSEs by discounting of their receivables and realization of their payment before due date.

#### 7. BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL, AND DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

IRCON being a Government Company, the appointment of directors on its Board is done by the President of India through the Administrative Ministry, Ministry of Railways. As on 31st March 2019, Company has eleven Directors comprising of four Functional Directors, two Government



Nominees Directors and five Independent Directors. With effect from 28th December 2018, the Company is not having prescribed number of the Independent Directors on the Board of the Company. After the close of the year, the tenure of two independent directors (including women director) got completed. Accordingly, the Company has requested Ministry of Railways for appointment of requisite number of Independent Directors (including women director) in order to comply with the requirements under SEBI (LODR) Regulations.

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

During the year, all the independent directors of the Company have declared that they meet the criteria of Independence in terms of section 149(6) of the Companies Act, 2013.

The following Directors & KMP were appointed during the year 2018-19:

1	Shri S.C. Jain Part-time (Official) Director [DIN: 07564584]	w.e.f. 24.10.2018
2	Shri Piyush Agarwal Part-time (Official) Director [DIN: 08305385]	w.e.f. 17.12.2018
3.	Shri Yogesh Kumar Misra Director (Works) and KMP [DIN: 07654014]	w.e.f. 28.12.2018

The following Directors ceased to hold office during the year 2018-19:

1	Shri Sanjay Kumar Singh Part-time (Non-Official) Director [DIN: 00003695]	upto 02.07.2018 due to termination of tenure by the Ministry of Railways.
2	Shri Rajiv Chaudhry Part-time (Official) Director [DIN: 03146422]	upto 20.09.2018 due to change in nomination by the Ministry of Railways.
3.	Shri Ved Pal Part-time (Official) Director [DIN: 07902760]	upto 30.09.2018 due to superannuation from the post of Additional Member (Planning) of the Ministry of Railways
4.	Shri Avineesh Matta Part-time (Non-Official) Director [DIN: 00011749]	upto 31.03.2019 due to completion of tenure of appointment
5.	Prof.(Ms.) Vasudha V. Kamat Part-time (Non-Official) Director [DIN: 07500096]	upto 31.03.2019 due to completion of tenure of appointment

The following Directors ceased to hold office after the close of the year:

1	Shri S.C. Jain Part-time (Official) Director [DIN: 07564584]	Upto 08.05.2019 due to change in nomination by the Ministry of Railways
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The following Directors were appointed after the close of the year:

1	Shri Hari Mohan Gupta Part-time (Official) Director [DIN: 08453476]	w.e.f. 15.05.2019
2	Shri Avineesh Matta Part-time (Non-Official) Director [DIN: 00011749]	w.e.f. 15.07.2019 (Re-appointed)
3	Prof. (Ms) Vasudha V. Kamat Part-time (Non-Official) Director [DIN: 07500096]	w.e.f. 15.07.2019 (Re-appointed)

Shri Piyush Agarwal, Shri Yogesh Kumar Misra, Shri Hari Mohan Gupta, Shri Avineesh Matta and Prof. (Ms.) Vasudha V. Kamat were appointed as Additional Directors of the Company who shall hold the office upto the date of ensuing Annual General Meeting (AGM). The details of these directors to be regularized as Directors at the ensuing AGM, are contained in the Notice convening the ensuing AGM of the Company.

#### 8. RETIREMENT OF DIRECTORS BY ROTATION

The Companies Act, 2013 provides that the provisions in respect of retirement of Directors by rotation will not be applicable to Independent Directors. In view of this, no Independent Director is considered to be retiring by rotation, however, all other directors are considered to be retiring by rotation. Accordingly, as per provisions of section 152 of Companies Act, 2013, one third among all other directors namely Mr. Deepak Sabhlok, Director (Projects) is liable to retire by rotation and being eligible, offer himself for re-appointment. The details of Director seeking re-appointment at the ensuing AGM are contained in the Notice convening the ensuing AGM of the Company.

#### 9. MEETINGS OF THE BOARD OF DIRECTORS AND OTHER COMMITTEES OF THE BOARD AND THEIR COMPOSITION

During April 2018 to March 2019, eight meetings of the Board of Directors, six meetings of the Audit Committee, five meetings each of Nomination and Remuneration Committee and CSR & Sustainability Committee, two meetings of Project Review Committee, one meeting of Risk Management Committee and one separate meeting of the Independent Directors were held. The details of meetings, composition, etc. of the Board of Directors and Board level committees are given in the Corporate Governance Report. Further, there has been no instance where the Board of Directors has not accepted the recommendation of Audit Committee.

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

#### 10. INTERNAL CONTROL SYSTEM

Your Company has adequate internal control mechanism and an Internal Audit System commensurate with its size and nature of business. The Company has in place adequate internal financial controls with reference to financial reporting and audit systems for maintaining efficiency of operations and compliances of applicable laws and regulations. The organization has well-structured

policies and guidelines which are well-documented with predefined authorities. Regular and exhaustive internal audits are being conducted by experienced firms of Chartered / Cost & Management Accountants, appointed by the Board on recommendation of Audit Committee and in-house internal audit team headed by a qualified and experienced professional.

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

## 11. RISK MANAGEMENT

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

As per SEBI (LODR) Regulations 2015, requirement of Risk Management Committee is applicable with effect from 01.04.2019. Your Company, however, is already having a Board level Risk Management Committee comprising Director (Projects), Director (Finance) and Director (Works). During the year, one meeting of the Risk Management Committee was held on 28th February, 2019.

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

## 12. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Being a Government Company, the Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service provider or any other party doing business with the Company. Whistle Blower and Fraud Prevention and Detection Policies have been approved by the Board of Directors and are available on the website of the Company.

## 13. HUMAN RESOURCE DEVELOPMENT



Health Check up Camp at Corporate Office

Being a progressive organization, IRCON firmly believes in the strength of its most vital asset i.e. Human Resource (HR). Human Resource Management (HRM) of IRCON is primarily concerned with the management of people within the organization, focusing on policies and systems. HRM in IRCON is designed to maximize employee performance to achieve strategic objectives. The Company has adopted and aligned its HR strategy vis-a-vis systems & procedures taking into account the business objectives and competence building needed for the organization. HR strategy acts as a motivating factor for the employees who contribute to the core competence of the organization to create a match between the Company's future needs and

the aspirations of individual employees.

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



IRCON's HRM Manual released by CMD and other Directors

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

The Company has a performance oriented culture wherein contribution of every employee to the organization 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 meritocracy at all levels and support development of executives through a structured approach woven into the appraisal of the Company.

### A. Manpower Strength

The total manpower strength of IRCON as on 31st March 2019 stood at 1576, which included 1192 regular employees, 38 deputationists, 342 employees on contract (including service contract) and 4 on fixed tenure basis. Out of the total 1576 employees of the Company, 1498 have been posted on Indian projects and 78 on projects abroad. Among 1576 employees, 1155 are technically and professionally qualified. The total number of women employees was 66.



Inter Project Quiz Competition

During the year, the strength of total new employed personnel stood at 171, which included 102 regular employees, 5 deputationists, and 64 employees on contract (including service contract).

**B. Reservation in Employment**

The Company continues to give utmost importance to implementation of the policies and directives of the Government of India in matters relating to implementation of the policies and directives of the Government of India in matters relating to reservations in employment of candidates belonging to Scheduled Caste (SC) / Scheduled Tribe (ST) / other backward classes (OBC) and differently abled categories. There were a total of 596 SC/ST/OBC and differently abled employees as on 31st March 2019. Further, during the year 2018-19, 102 employees were inducted against regular posts, out of which 33 belong to SC/ST/OBC and differently abled categories. Similarly, 64 employees were recruited against the contractual positions, out of which 22 belong to SC/ST/OBC and differently abled categories.

In the year 2018-19, training has been given to 988 employees, out of which 355 belong to these categories. To ensure the welfare of these employee categories, the Company has appointed Liaison officers of SC/ST/OBC and differently abled employees.

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

**C. Training and Human Resource Development**

IRCON puts a lot of emphasis on the development and career progression of employees. Training programs are organized throughout the year. During the financial year 2018-19, in-house training programmes across all levels of employees were organized. Professional programmes, workshops and seminars organized by reputed and prestigious institutes/agencies were carefully identified in line with business needs of IRCON and suitable officers were nominated for such programmes.



Blood Donation Camp at Corporate Office

Your Company has been continuously taking steps for building capacity of its human resource through training in functional and general management areas, contract & arbitration, leadership, information technology, as well as soft skills. External faculty is arranged wherever required and officials are nominated for workshops, seminars, etc. with reputed institutes. Employee Development has always been a priority for the Company and various trainings and development plans have been initiated from time to time. During the year 2018-19 a total 4046 man-days

training was imparted to officials of IRCON through workshops, seminars, conferences, in-house trainings and training in external institutes, etc.

**D. Employee Welfare**

IRCON has adequate and robust schemes in place for welfare of the employees. Subsidized canteen facility, health cover, medical scheme, Post-Retirement Medical Scheme, Post-Retirement Pension Scheme, periodic health checkups at regular intervals, allowances, provision of company and self-lease for residential accommodation educational scholarships to the wards of employees, one-time educational grant for admission to professional degrees and diploma courses, educational awards to meritorious children of employees, educational assistance to the wards of deceased employees, assistance for marriage of daughters and dependent sisters of employees in non-executive categories, facility of free homeopathy and allopathy consultancy at Corporate office, and resort facilities for employees and their family members on concessional rates through Dalmia and Sterling Resorts etc. are in place for betterment of the staff.



IRCON Champions Trophy- A friendly cricket match played between CMD-11 and Directors-11

The Company organized one friendly Cricket Match in January 2019 amongst the officers and staff of the Company.

**E. Safeguards of Women Employees at workplace**

Your Company aims to provide congenial and safe working atmosphere to women employees. The Company has in place a comprehensive policy for Prevention of Sexual Harassment at Workplace and



Rangoli Competition during Diwali Celebrations

the same is available at the website of Company. Further, the Company has a five member complaints committee for prevention of sexual harassment at work place comprising of four officials of the Company and one external member from NGO. Further, provision pertaining to 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. On International Women's day, the Company organized a workshop exclusively for women employees by Oncologist and Dietician and on Gender Sensitization and prevention of sexual harassment at workplace, at the Corporate office of the Company.

#### 14. QUALITY, ENVIRONMENT, AND HEALTH & SAFETY MANAGEMENT

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 latest revised code ISO 9001:2015 (by periodical re-certification audit after expiry of every three years). Latest re-certification audit has been conducted in March 2017, whereby the Company has been re-certified by TUV-SUD for a period of another three years i.e. up to June 2020. The second Surveillance Audit for QMS by TÜV-SÜD South Asia Private Limited has been successfully completed during the month of February 2019.

During the year, the Company continued the initiative of sharing technical knowledge started in last year. Accordingly, to enhance the technical knowledge of the Company's Engineers/ Managers regarding the latest versions of IS/ IRC/ IRS and other International Specs, Codes, papers were shared on the topics like High Strength Concrete - Concrete with Mineral Additives, Cement – An Insight View, NEAR-MISS IRCON's Mission Safety, Pumpable Concrete, and Risk Management in Construction Projects. Further, various details on "Environment Impact Assessment due to Construction Activities", and "Hazard Identification and Risk Assessment (HIRA)" for Construction Projects have been made available on the internal website of the Company for knowledge sharing and helping the projects to prepare the required documents at project levels. In addition to this, for ensuring standardization of documents across the Company, 'Material Testing Formats' for testing of different construction materials have been provided on the internal website of the Company.



Fire Mock Drill at Corporate Office

As part of the Memorandum of Understanding entered with the Ministry of Railways for the year 2018-19, ten departments at Corporate Office and two projects of the Company were assessed in line with the Project Management Maturity Model (ProMMM) and was placed before the Board of Directors at its meeting held on 16th January 2019.

Your 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 March 2017 whereby the Company has been re-certified for another three years i.e. up to May 2020. During the year, the second Surveillance Audit for EMS by TÜV-SÜD South Asia Private Limited was successfully completed in February 2019.

The Company nominates Environment officers at major Indian projects to monitor EMS at their respective projects who complies with the environmental laws. This is an ongoing process until completion of the project. Environmental checklists have been developed and maintained by all projects.

Environmental friendly equipment such as solar panels have been installed and are being installed at various offices / projects. Waste water is recycled at Corporate Office through Sewage Treatment Plant (STP), and the same is used for horticulture work. STPs are also being constructed at Noida, Gurgaon, and MFC buildings. LED lights, sensor lights and sensor taps are being used in Corporate Office to conserve electricity and water. Various environment friendly steps like use of fly ash brick instead of clay brick, rain water harvesting arrangements, sensor controlled Chromium Plate (CP) fittings, use of latest version of facade glass (glass in building) to make the building sustainable etc. are being taken up across various offices / projects of the Company. Monitoring of water usage and waste water, ambient air quality and noise quality is also being carried out at various construction sites. The Company is emphasizing on providing clean environment by initiating indoor air quality monitoring in the Corporate Office building. Tree plantation is also undertaken by corporate office and project offices.



Swachhta Pakhwara observed at Corporate Office

Your Company has also been certified for Occupational Health & Safety Management System (OHSAS – BS 18001:2007) in December 2012 by TUV SUD South Asia. Your Company has updated the Occupation Health and Safety System and got ISO:45001-2018 Certificate w.e.f. 28th December 2018, and this certificate is valid till December 2021.

Corporate Quality Council and Project Quality Council

meetings were conducted quarterly at Corporate Office and projects respectively to review the implementation of QMS, EMS, and OH&S. The Quality objectives were measured and reviewed both at the Corporate and at the Project levels. Internal Quality Audit as well as Quality Assurance Audit were conducted in projects and corporate office. Reports of these audits not only contained details of non-conformities encountered during the audit but also the salient features, progress, positive points, if any, etc.

## 15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND UPGRADATION

### A) Conservation of Energy

#### (i) The steps taken or impact on conservation of energy

Your Company has completed work of Design, Supply, Installation, Testing and Commissioning of grid connected solar power plant of 3MW capacity with all the electrical and associated equipment including civil works at Rail Coach Factory, Rae Bareli (U.P.) at a value of Rs.22.49 crore. The plant is fully operational, and meets about 36% of electrical energy requirement for the factory.

Your Company has procured the material for Design, Supply, Installation, Testing and Commissioning of grid interactive roof top solar photovoltaic power generation plant of 75KWp capacity with all the electrical and associated equipment including structure works at IRCON International Tower, Plot No. 16, Sector-32, Gurugram (Haryana) at a value of Rs.56.63 lakh. As per the circular issued by the Renewable Energy Department, Haryana Government, minimum 2KWp or 5% of sanctioned load of 30 KW and above, vide order dated 19.12.2017 issued by renewable Energy Department, Haryana Government shall be mandatory. The plant is under installation, and meets about 5% of the estimated load i.e. 1500 KW.

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

- (i) Office cum Commercial Complex, Sector-01, Noida – 320KVA×2 sets.
- (ii) Retail Mall, Sector-43, Noida – 1010KVA × 2 sets & 320KVA×1 set.
- (iii) Office cum Commercial Complex, Sector-48, Noida – 500 KVA×1 set and 650KVA ×1 set.

Additional 10 KW Roof Top Grid Connected Solar Power Plant at Corporate Office has been made operational as a step to conserve energy. This Solar Power Plant is in addition to existing capacity of 80 KW, and has been implemented after energy audit contributing to environment through usage of Green Energy. Total energy produced by Solar Power plant is 44,853 units of kWh which is 3.1% of the energy being drawn from BSES i.e. 14,27,380 units or kWh. Hence, total energy conservation per annum is 3.1%.

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.

The internal lighting of Corporate Office building has

been replaced by energy efficient LED lamps. Total energy saving is approx. 3,00,000 units or kWh per annum.

#### (ii) The steps taken by the Company for utilizing alternate sources of energy

##### a. DG Sets:

- (i) Office cum Commercial Complex, Sector-01, Noida – 320KVA×2 sets.
- (ii) Retail Mall, Sector-43, Noida – 1010KVA × 2 sets & 320KVA×1 set.
- (iii) Office cum Commercial Complex, Sector-48, Noida – 500 KVA×1 set and 650KVA ×1 set.
- (iv) IRCON International Tower, Sector-32, Gurugram – 1010KVA×2 sets & 320 KVA×1 set.

##### b. UPS:

- (i) IRCON International Tower, Sector-32, Gurugram - 30KVA×2 sets

#### (iii) the capital investment on energy conservation equipments

- a. Solar photovoltaic power generation plant – approx. Rs.56.63 lakhs.
- b. Capacitor Bank – approx. Rs.112.23 lakhs (in four buildings).
- c. Replacement by LED – approx. Rs.83.81 lakhs.

### B) Technology Absorption and Upgradation

#### (i) The efforts made towards technology absorption

Supervisory Control and Data Acquisition System (SCADA) for energy management have been made operational at Rail Coach Factory, Rae Bareli. Further, the Company has constructed all sub-station buildings in DMRC with latest energy efficient and environmental friendly guidelines which includes LED lights, Rain Water harvesting.

For the first time in Indian Railways, Overhead Equipment (OHE) design for Railway Electrification Project is being carried out by using Drone camera for picking the coordinates through Differential Global Positioning System (DGPS). The OHE layout plans are then prepared with the help of Autocad in Mathura-Kasganj-Kalyanpur RE project.

Like previous year, development of Circular OHE foundation in situ and Precast was done in Mathura – Kasganj – Kalyanpur Section for Railway Electrification Project. In addition, simultaneous stringing of catenary and contact wire is being done for the first time in Indian Railways. IRCON has also planned for use of Drone Camera for Katni Singrauli Doubling project.

Your Company has supplied and commissioned 66 KV High Voltage Cable first time developed indigenously for Delhi Metro Rail Corporation (DMRC) Project. IRCON has also imported 25 KV Gas Insulated Switchgear (GIS) for Vinod Nagar Traction Sub-station of DMRC. The use of GIS reduces the requirement of space for sub-stations.

#### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

Not Applicable

#### (iii) In case of imported technology (imported during

**the last three years reckoned from the beginning of the financial year)**

- (a) details of technology imported  
NIL
- (b) year of import  
Not Applicable
- (c) Whether the technology been fully absorbed  
Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and  
Not Applicable
- (iv) The expenditure incurred on Research and Development.  
NIL

**16. RESEARCH & DEVELOPMENT (R&D)**

Your Company does not undertake any pure research project but takes the help of consultants and firms to innovate and to develop methods and techniques to execute projects in a cost effective manner, with requisite quality, to enhance the technological competence and efficiency.

**17. INFORMATION TECHNOLOGY AND ERP**

The Information Technology in the company is not only a service provider but is also being used for productivity enhancement.

Your company has implemented SAP ECC based Enterprise Resource Planning (ERP) application in the areas of Finance Controlling and Human Resource Management to improve information availability, transparency and decision making. SAP Business Objects (SAP BO) has also been implemented to automate the financial reporting of the organisation. This reporting tool takes the real-time data from SAP ECC and helps in preparation of Balance Sheet, Statement of Profit & Loss, Statement of changes in equity, Cash Flow etc. on demand basis. This automation has led to drastic reduction in time and effort required to prepare and finalize the books of accounts at the end of the quarter / year. SAP servers are hosted on cloud to ensure high availability security and flexibility for capacity augmentation.

As a step towards paperless office various initiatives were taken during the year for employees like enabling viewing of payslip, PF Slip and attendance online. Three mobile applications (apps) namely IRCON Careers, IRCON CSR and IRCON tenders were launched during the year to provide online and timely information about IRCON activities to general public. All three mobile apps are available on android play store as well as on apple app store.

The Video conferencing facility is being widely used for conducting review meetings with Project Heads, training, promotion interviews etc.

The Company has implemented Wi-Fi with proper security features at Corporate Office to enable mobiles and Bring your Own Devices (BYOD) of employees to be connected to Company network.

The official website of the Company has been revamped to provided well planned information architecture, mobile compatibility, fast access, browser consistency and effective, easy navigation. Visitor Management System has been upgraded to ensure proper maintenance of visitor details and visitors convenience at corporate office.

In order to improve upon efficiency and bringing transparency in procurement process in the organization, the e-procurement platform is being shifted to NIC's GePNIC.

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

**18. VIGILANCE ACTIVITIES**

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.



Guest lecture during the Vigilance Awareness Week 2018

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. This year the department has carried out 02 surprise inspections and 03 periodic inspections on high value projects. Apart from surprise and periodic inspections department has carried out 04 nos of preventive inspections on high value tenders floated from corporate office. Chief Technical Examiner's Organisation (Technical wing of Central Vigilance Commission) has also carried out extensive investigation of 02 projects. Complaints raised against officials, procedures etc. by various Authorities (CVC/Railway Board Vigilance, CBI, Prime Minister's Office etc.) and received from other sources were investigated to their logical conclusion. During 2018-19, the department has received a total of 21 nos. of complaints. Out of 21 nos. of complaints, 17 nos. of complaints were disposed. Nature of complaints includes irregularities during tendering, execution of contract, anonymous & pseudonymous one and quality related issues. In addition, steps were taken for closure of Paras raised by the Chief Technical Examiner's Organisation (CTEO). Scrutiny of immovable property returns of employees, creating awareness on rules/procedures/ common irregularities in execution through workshops/trainings, debate, competitions, etc. have been the prime activities of the Department.

As a step towards 'Leveraging of Technology' for better transparency, submission of Online Immovable Property Returns by the officer was started during 2012-13 and the process is running successfully. Online Vigilance

Clearance started w.e.f 1st April, 2014 in the organization through our intranet portal. Vigilance section/portal on website www.ircon.org with a facility for online receipt of complaints is in place since December 2012. E-procurement has already been started w.e.f 1st July 2013 in the organization in a comprehensive manner for achieving transparency for all value of the work.

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



Launch of 'IRCON Career' and 'IRCON CSR' Mobile Apps

IRCON has implemented Integrity Pact which is a tool developed by Transparency International, which ensures that all activities and transactions between a Company or Government Departments and their Suppliers are handled in a fair, transparent and corruption free manner. Memorandum of Understanding ("MOU") was entered into on 22nd April, 2014 between Ircon International Limited and Transparency International India to implement Integrity Pact in IRCON.

Accordingly, IRCON has adopted Integrity Pact (IP) as recommended by Central Vigilance Commission (CVC) on 24th June, 2014 for tenders/contract for works and supply with an estimated value of Rs.5 Crore and above on all Indian Projects. The Integrity pact was made a compulsory document in the conditions of model e-Procurement Documents for all works.

As per the provision of Integrity Pact and relevant guidelines of Central Vigilance Commission an



MoU Signing with Ministry of Railways for the year 2019-20

Independent External Monitor (IEM) was also appointed to receive any complaints from the bidder and submit the investigation report.

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



IRCON conferred Best Professionaly Managed Compnay and two other awards during the 11th CIDC Vishwakarma Awards

**19. MOU RATING / AWARDS**

- A. Your Company has been rated as 'Excellent' on performance of Memorandum of Understanding (MOU) signed with the Ministry of Railways for the year 2017-18. The MOU performance for the year 2018-19 is under evaluation.
- B. Your Company had received the following awards during the year 2018-19:
  1. Construction Industry Development Council (CIDC) bestowed IRCON with CIDC Partners in progress Trophy 2019 for achieving targets of "Mission Skilling India" under various CIDC initiatives; 11th CIDC Vishwakarma in the category of Best Construction Project for successfully completing Shivpuri-Guna project, well before the scheduled time; 11th CIDC Vishwakarma for Best Professionaly Managed company having turnover of more than Rs.1000 crore; and 11th CIDC Vishwakarma for CSR practices in Raigarh (Chhattisgarh). All these awards were presented by Mr. Prabhakar Singh, DG - CPWD and Mr. K.M. Singh, Former CMD - NHPC Ltd at a function held in New Delhi on 7th March 2019 and received by



Governance Now 6th PSU Awards in Value Growth category

Mr. S. K. Chaudhary, CMD, Mr. Deepak Sabhlok, Director, Projects, Mr. M. K. Singh, Director, Finance, Mr. D. K. Sharma, Chief General Manager, Ircon Shivpuri Guna Tollway Limited, Mr. Suresh P Yadappanavar, JGM, ISGTL.

2. ET Now Stars of the Industry Award for best corporate CSR practices.



8th EPC World Award for outstanding contribution in urban transport

3. Indian Building Congress (IBC) Award for Excellence in Built Environment for Modern Coach Factory, Rae Bareli project.
4. Governance Now 6th PSU Awards 2018 in the Value Growth category for Mini Ratna-I companies.
5. Rail Analysis Award for Infrastructure Project Excellence in India and Abroad.
6. 8th EPC World Award for 2nd Bhairab Bridge, Bangladesh.
7. The University of Engineering & Management (UEM), Jaipur and UEM, Kolkata jointly presented Award of Excellence for best practices in the corporate sector.
8. Town Official Language Implementation Committee (TOLIC) (Undertaking-1), Delhi facilitated Ircon International Limited with Incentive Award and Certificate for outstanding Implementation of Official Language Policy on 28.2.2019.

C. After close of the year 2018-19, your Company had received the award from the Federation of Indian Chambers of Commerce and Industry (FICCI). The Company is bestowed with Certificate of Appreciation for Good Practices in Quality Systems at the 7th FICCI Quality Systems Excellence Awards for Industry 2019. This award was presented by Smt. Surina Rajan, Director General, BIS to Mr. S.P. Singh, GM/Quality Management at a function held in New Delhi on 24th April 2019.

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

1. Institute of Economic Studies Excellence Award to IRCON and Udyog Rattan Award to CMD, IRCON.
2. Amity Excellence Award to CMD, IRCON for best practices in the construction and infrastructure sector.

## 20. OTHER DISCLOSURES

### A. Particulars of Loans, Guarantees or Investments:

The details of investments made, loans granted, and

guarantees extended by your Company in terms of section 186 of the Companies Act, 2013 during the year 2018-19 forms part of the notes to the financial statements [note no. 40(c)] provided in the Annual Report.

### B. Disclosure on remuneration of directors and employees:

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

Further, as per provisions of section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose certain details of the remuneration of the Directors in the Directors' Report. However as per Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013. Accordingly, IRCON being a Government Company such particulars are not included as part of the Directors' Report. However, remuneration paid to directors during FY 2018-19 are disclosed in the Corporate Governance Report

### C. Disclosure on Evaluation of Directors etc.

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 is system and procedure laid down by Department of Public Enterprises (DPE) for evaluation of its functional directors including CMD. The evaluation framework for assessing the performance of functional directors comprises of the following key areas:

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

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

The remuneration policy of the Company and the procedure and policy for Senior Management and their remuneration



are approved by the Nomination & Remuneration Committee.

**D. Compliance with Secretarial Standards:**

During the year, the Company is generally in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, except as otherwise stated in the Secretarial Audit Report.

**E. Extracts of Annual Return**

The Extracts of Annual Return of your Company for the year 2018-19 in Form MGT-9, pursuant to section 134(3)(a) of the Companies Act, 2013 read with section 92(3) of the Company is available is placed as **Appendix-G**.

**F. Deposits**

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

**G. Significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:**

No order has passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the financial year 2018-19.

**H. Material changes and commitments affecting the financial position between end of the financial year and the date of report**

No material changes and commitments affecting the financial position of the Company have been noted after the end of financial year and the date of this report.

**I. Change in the nature of business**

There was no change in the nature of business of the Company during the financial year 2018-19.

**J. Qualification, reservation or adverse remarks in the Secretarial Auditor Report and Auditor's Reports**

The Management Response on the qualification in the Secretarial Auditor Report and compliance of conditions of Corporate Governance for the year 2018-19 is placed as

**Appendix-I 1.**

The Management Response on qualification contained in the Auditors' Report 2018-19 (Standalone and Consolidated) is placed as **Appendix-K**.

**21. INTEGRAL REPORTS**

The following reports/documents along with relevant annexures form an integral part of this report, and have been placed as Appendices numbered herein.

1. **"Corporate Social Responsibility and Sustainability Report"** provides a brief outline of the company's CSR and Sustainability policy, the composition of CSR & Sustainability Committee, average net profit of the Company for the last three financial years, prescribed CSR expenditure, and details of CSR spent on the activities / projects undertaken during the financial year etc. **[Appendix - C]**.
2. The **"Management Discussion and Analysis Report"** provides an overview of the affairs of the Company, its legal status and autonomy, outlook, business environment, sectoral outlook, financial and operational performance, strengths, opportunities, constraints, strategy and risks and concerns, internal control systems and their adequacy as well as material developments in human resource

**[Appendix - D].**

3. The **"Corporate Governance Report"** highlights the Company's philosophy on Corporate Governance and Key Values, Board of Directors including their details, details of Committee of the Board, details of general body meetings, means of communication, general shareholders information other relevant disclosures, etc. **[Appendix - E]**. It is supplemented by following compliance certificates:
  1. Certificate signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from all Board members and Senior Management personnel during the year 2018-19 (placed at **Annexure - E1**);
  2. Certificate on non-disqualification of directors (placed at **Annexure - E2**);
  3. Certificate from Chairman & Managing Director and Director Finance with respect to the truth and fairness of the Financial Statements, due compliances, and financial reporting (placed at **Annexure - E3**); and
  4. Certificate of compliance of Corporate Governance provisions signed by practising company secretary, with respect to the conditions enumerated in SEBI (LODR) regulations and DPE Guidelines on Corporate Governance (placed at **Annexure - E4**).
4. The **"Business Responsibility Report"** in compliance with the provisions of regulation 34 of SEBI (LODR) Regulations 2015, in the format prescribed under SEBI Circular no. CIR/CFD/CMD/10/2015 dated 4th November 2015 is placed as **Appendix-F**. The report is mandated for the top 500 listed companies based on market capitalization and describes the initiatives taken by IRCON from an environmental, social and governance perspective.
5. The **"Extracts of Annual Return"** in Form MGT-9, pursuant to section 134(3)(a) of the Companies Act, 2013 read with section 92(3) of the Company is placed as **Annexure-G**.
6. The **"Disclosure of Related Party Transactions"** in Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014, is at **Appendix - H**. Further, the disclosure in terms of regulation 53(f) of the SEBI (LODR) Regulations 2015 forms part of the financial statements.
7. The **"Secretarial Audit Report"** from the secretarial auditor in Form MR-3 as required under section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is at **Appendix - I**. The Management Response on the qualification contained in the Secretarial Audit Report and compliance of conditions of Corporate Governance for the year 2018-19 is placed as **Appendix-I 1**.
8. The **"Dividend Distribution Policy"** of the Company, pursuant to requirement under Regulation 43A of the SEBI (LODR) Regulations 2015 is placed as **Appendix-J**.
9. The Management Response on qualification contained in the Auditors' Report for the financial year 2018-19 (Standalone and Consolidated) is placed as **Appendix - K**.
10. The **'NIL'** comments of Comptroller & Auditor general (C&AG) of India dated 11.07.2019 on the Audited Financial Statements of your Company for the financial year 2018-19 have been placed as part of the Annual Report.

**22. 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 31st March 2019 and of the profit of the Company for the financial year 2018-19;
- 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 systems had been devised to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 23. AUDITORS

#### A. Statutory and Branch Auditors:

The Auditors of the Company appointed by the Comptroller & Auditor General of India for the financial year 2018-19 are:-

Statutory Auditors:

K.G. Somani & Co.	For Company as a whole
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Branch Auditors for projects in India:

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

Branch Auditors for projects abroad:

Kerbal Athmane, Algeria	Algeria
Middel & Partners, South Africa	South Africa
Jayasinghe & Co., Sri Lanka	Sri Lanka
Kumpulan Naga, Malaysia	Malaysia
Toha Khan Zaman & Co., Bangladesh	Bangladesh

#### B. Cost Auditor:

The Board of Directors have appointed M/s. Chandra Wadhwa & Co., Cost Accountants, as Cost Auditor of your Company for the financial year 2018-19 for conducting the audit of cost records maintained by the Company as per the applicable Rules / Guidance Note, etc.

#### C. Secretarial Auditor:

The Board of Directors have appointed Kumar Naresh Sinha & Associates, Practising Company Secretary as

Secretarial Auditor for conducting Secretarial Audit of your Company for the financial year 2018-19.

#### D. Internal Auditors:

The Board of Directors have appointed following Internal Auditors for 2018-19:

Internal Auditors for Indian Projects

K.K. Goel & Associates, Jammu	J&K Region
J. Singh & Associates, Mumbai	Mumbai Region
A. R. & Co., New Delhi	Northern Region
Gupta Sachdeva & Co., Patna	Patna Region
SBA Associates, Kolkata	Eastern Region
Raj K. Sri & Co., New Delhi	Corporate Office Region

Internal Auditors for Foreign Projects at Bangladesh and Algeria:

The Internal Audit for projects abroad viz. Bangladesh and Algeria was undertaken in-house by the officials of the Company for the financial year 2018-19.

#### ACKNOWLEDGEMENT

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

I would like to express my sincere and heartiest thanks to Department of Investment and Public Asset Management (DIPAM), Securities and Exchange Board of India (SEBI), Stock Exchange i.e National Stock Exchange of India Limited and BSE Limited and Registrar of Companies (ROC) for their guidance and support throughout the IPO process.

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.



IRCON's 42nd Annual Day Celebrations

**For and on behalf of the Board of Directors**  
Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director  
(DIN: 00515672)

Date: 22nd July 2019  
Place: New Delhi

## Appendix – A

## ON-GOING MAJOR PROJECTS IN INDIA

( ₹ in crore)

Sl. No	Category	Name of the Project	Project/ Revised Value
1.	Railway	Katra-Qazigund section including Dharam-Qazigund section, Km 73.00 to 91.00, and USBRL Project, for Northern Railway.	13,359
2.	Railway	Sivok-Rangpo New Rail Line Project, for North Frontier Railway.	4085
3.	Railway	Construction of Corridor-III of East-West Corridor between Gevra Road to Pendra Road approximately 135 km, feasibility study of East-West Corridor between Gevra Road to Pendra Road in the State of Chhattisgarh, for Chhattisgarh East-West Railway Limited (CEWRL)	3198
4.	Railway	Setting up of new Rail Coach Factory at Rae Bareli, including additional works, for Ministry of Railways.	2973
5.	Railway	Design and Construction of Civil, Building and Track Works of Vaitarna-Sachin Section of Dedicated Freight Corridor Project, CTP-12, for Dedicated Freight Corridor Corporation of India Limited (DFCCIL)	2171
6.	Railway	Construction of Corridor-I of East Corridor between Kharsia to Dharamjaygarh and Spur Line in the State of Chhattisgarh, for Chhattisgarh East Railway Limited (CERL).  Construction of New BG Electrified Rail Line between Dharamjaigarh to Korba (Urga) for CERL (CERL-II).	1861  1138
7.	Railway	i) Doubling projects for East Central Railway at - (a) RDUM-TAL-RJO (Rampur Dumra Tal Rajendrapul) project; (b) Kiul-Gaya project; (c) Hajipur-Bachwara; ii) Doubling projects for West Central Railway at Katni-Singrauli project.	1491 (RDUM-TAL-RJO); 1200 (Kiul Gaya); 679 (Hajipur-Bachwara); 1763 (Katni-Singrauli)
8.	Railway	Execution of rail connectivity projects identified by Bastar Railway Private Limited (BRPL).	1467
9.	Roads	Construction of Eight Lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase-VI on Hybrid Annuity Mode (Phase IA-Package II), for Ircon Vadodara Kim Expressway Limited (IrconVKEL).	1543
10.	Roads	Construction of Road Over Bridges (RoBs) in the State of a) Bihar (Phase – I & II), for Ministry of Railways and Government of Bihar b) Rajasthan, for Ministry of Railways and Government of Rajasthan	1350 (Bihar), 650 (Rajasthan)



Biggest Railway Halt at Janakpur Dham in Nepal



Stainless Steel Cut Wire Blast Plant at Modern Coach Factory, Raebareli

( ₹ in crore)

Sl. No	Category	Name of the Project	Project/ Revised Value
11.	Railway	Katni Grade Separator / By pass line (21.50 Km) Project, for West Central Railway.	1248
12.	Railway	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Jharkhand Central Railway Limited (JCRL).	1149
13.	Railway	Survey, Feasibility study, Detailed Design and Construction of various identified Rail Coal Connectivity Project(s), for Mahanadi Coal Railway Limited (MCRL)	1075
14.	Roads	Six-Laning of Davanagere-Haveri (from Km. 260+000 to Km. 338+923) of NH-48 in the State of Karnataka for Ircon Davangere Haveri Highway Limited (IrconDHHL) on Hybrid Annuity Project on DBOT Annuity under NHDP – Phase V – EPC Cost, for National Highways Authority of India (NHAI).	1027
15.	Roads	Implementation of PMGSY in Bihar State for Government of Bihar	1005
16.	Railway	Construction of rail link between Jayanagar (India) – Bijalpura (Nepal) (Gauge conversion) with extension up to Bardibas on India-Nepal Border, for East Central Railway.	818
17.	Roads	Construction / upgradation of Rural roads and bridges in 5 districts of Jharkhand – PMGSY Project, for Ministry of Rural Development, Government of India and State Government of Jharkhand.	607
18.	Electrical	Railway electrification work for Katni-Singrauli, for West Central Railway.	570
19.	Railway	Akhaura – Agartala Rail Link project (Construction of Indian portion), for North Frontier Railway.	570
20.	Electrical	RAPDRP – Part B Project under Jammu province (Cluster – I, Jammu left), (Cluster-II, Jammu Right), and (Cluster IV) (Akhnoor, Rajouri, Poonch, Udhampur, Doda, Kishtwar & Bhandarwah), for J&K Power Development Department.	420
21.	Electrical	Mathura-Kasganj-Kalyanpur Railway Electrification Project with Signalling, for North Eastern Railway	433
22.	Railway	Development of circulating area at Santragachi and essential passenger amenities and road connectivity to Kona Expressway, for South Eastern Railway.	380
23.	Railway	Construction of Rail Link between Jogbani (Bihar) India to Biratnagar (Nepal), for North Frontier Railway.	374



Appreciation certificate by NHAI for completing the first phase of Shivpuri-Guna Four laning project ahead of schedule



CSR Inspection of Farrukhabad - Daryaganj Section of Mathura- Kasganj Rail Electricity Project.



2x5MVA, 33 KV Sub-Station Jagriti Vihar, Meerut



Shivpuri-Guna Four Lane Highway project

( ₹ in crore)

Sl. No	Category	Name of the Project	Project/ Revised Value
24.	Railway	Development of coaching terminal at Shalimar by provision of essential passenger amenities, for South Eastern Railway.	329
25.	Railway	Setting up of two electric loco sheds to home 200 three phase Locos one each at Bondamunda (for South Eastern Railway) and Daund (for Central Railway).	299
26.	Metro	Design, supply, installation, testing & commissioning of receiving-cum-traction and auxiliary main sub-station including high voltage cabling from grid sub-station and augmentation works for existing receiving sub-station under CE-6, Lot-1, for DMRC, for Delhi MRTS project, Phase-III.	276
27.	Station Building	Re-development of Safdarjung Railway Station, for RLDA and Ministry of Railways.	262
28.	Institutional Building	Design, Drawing and Construction of External Development works & External Services at National Institute of Technology (NIT), Mizoram.	162
29.	Railway	Construction of Railway Siding for proposed 3.0 MTPA Integrated Steel Plant at Nagarnar Near Jagdalpur, Chhattisgarh for NMDC Limited: a) Package I - Execution of Civil & Railway Allied works b) Package-II - Execution of Civil, Signalling & Telecommunication, Mechanical and Structural works c) Package-IV - Construction of New Block Station, Staff Quarters and associated P-Way, OHE and S&T works.	283 (Package-I) and 79 (Package-II) 84 (Package-IV)
30.	Metro	Contract CT-1-A – Supply, Installation, Testing and Commissioning of Ballastless Track of Standard Gauge, Part-1 Corridor of sections of Mukundpur – Lajpat Nagar (excluding) Line-7 in elevated and underground sections along with ballasted / ballastless tracks in Mukundpur Depot for Delhi MRTS Project of Phase-III), for DMRC.	203
31.	Railway	Visakhapatnam (Diesel Loco shed) – Augmentation of shed for homing 100 HHP locomotives, for East Coast Railway.	78
32.	Railway	Railway Tracks (In-plant) Package (Package No. 50) for 3.0 MTPA Integrated Steel Plant at Nagarnar, for NMDC Limited.	53
33.	Railway	Civil, Building & Track Works of Western Dedicated Freight Corridor Contract package CTP-11 JNPT – Vaitarana Section (IRCON share 60%), for Dedicated Freight Corridor Corporation of India Limited (DFCCIL).	43
34.	Railway	DPR & Detailed Engineering, Project Management and Construction of Railway Siding connecting MGR system of Dulanga mine-Darlipali STPP with Mahanadi Coal Limited's Siding, for Darlipali Super Thermal Power project, Stage-I (2 <sup>nd</sup> 800 MW), for NTPC Limited	26
35.	Railway	DPR and Detailed Engineering Project Management & Construction of Coal Transportation System for Nabinagar Super Thermal Power Project (3 <sup>rd</sup> 660 MW) for Nabinagar Power Generating Co. Pvt. Ltd.	16

For and on behalf of the Board of Directors  
Sd/-**(S.K. Chaudhary)**Chairman & Managing Director  
(DIN: 00515672)Date: 22<sup>nd</sup> July 2019  
Place: New Delhi

## SUBSIDIARY COMPANIES AND JOINT VENTURES COMPANIES

**Appendix – B**

### A. Subsidiary Companies:

#### 1. Ircon Infrastructure & Services Limited (IrconISL)

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

During the year 2018-19, IrconISL has got two consultancy project of Ministry of External Affairs (MEA) viz. (a) Consultancy project for Construction of Two Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from km 0.00 to km 109.2 in Chin State of Myanmar; (b) Project Management Consultancy (PMC) for construction of 69 Bridges in Tamu-Kyigone-Kalewa section of Trilateral Highway in Myanmar, wherein MEA has terminated the contract of M/s NCSL-MTDCL (JV) who was appointed as Engineering Procurement and Construction (EPC) contractor for construction of these 69 bridges. The re-tendering of the work and modality of execution are under finalization by MEA with IrconISL.

During the financial year 2018-19, IrconISL has secured four new PMC projects viz. (a) PMC for Setting up a Multi Model Logistics Park at Bhaupur, Kanpur (U.P) for Container Corporation of India Limited (CONCOR); (b) PMC for Setting up a Multi Model Logistics Park at Dahej, Gujarat for CONCOR; (c) PMC for Replacement of CST-9 Sleepers with PRC Sleepers of MGR System of Stage-1 (2x210MW) at NTPC, Unchahar, U.P. (d) PMC for Construction of Infrastructure works at NDRF Academy at Nagpur.

Along with the above new projects, the following existing projects are in various stages of construction, during the year 2018-19 viz.

- (a) PMC for construction of Shri Vishwakarma Skill University (SVSU) at Dudhola, Palwal, Haryana;
- (b) PMC for construction of Office Building of Department of Science & Technology at Technology Bhawan, New Mehrauli Road, New Delhi;
- (c) PMC for construction of Barrack Accommodation for Security Personnel at seven (7) Land ports (ICPs) [i.e. 1. Attari- Punjab, 2. Agartala-Tripura, 3. Raxual-Bihar, 4. Jogbani-Bihar, 5. Petrapole-West Bengal, 6. Dawki-Meghalaya, 7. Moreh-Manipur] for Land Ports Authority of India (LPAL);
- (d) PMC for construction of Multi Modal Logistics Park (MMLP) at Kadakola, Mysuru District, Karnataka and Paradip (Orissa) for CONCOR;
- (e) 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;
- (f) PMC for construction of Toilets and other CSR work for Power Grid Corporation of India Limited at different locations.

Out of 23 MFCs undertaken by IrconISL, which have been sub-leased to operators, 5 sub-lease agreements have been terminated due to non-payment of lease rent by sub-lessee.

#### 2. Ircon PB Tollway Limited (IrconPBTL)

IrconPBTL, a wholly owned subsidiary of IRCON, has been incorporated as a Special Purpose Vehicle on 30th September 2014, and has obtained approval for commencement of business on 14th November 2014. The main object of IrconPBTL is to carry on the business of widening and strengthening of the existing Bikaner & Phalodi Section to four lane from 4.200 km to 55.250 km and Two Lane with paved shoulder from 55.250 km to 163.500 km of NH-15 on Build, Operate, and Transfer (BOT) (Toll) basis in the State of Rajasthan, in accordance with the terms of the Concession Agreement signed with National Highways Authority of India (NHAI) on 7th November 2014.

Total project cost is Rs.844.08 crores and EPC cost has been revised to Rs.767.48 crores.

The total length of road constructed is 159.17 km and in equivalent 2 lane is 210.22 km. (Four laning: 51.05 km and two laning 108.12 km). The project construction works have been majorly completed and provisional completion certificate has been issued on 15th February 2019 for commencement of tolling operations at the three toll plazas located at Salasar and Nokhra in Bikaner District and Kheerwa in Jodhpur District, Rajasthan and accordingly the revenue or toll collection is in progress at the three toll plazas. The said project has thereby entered into commercial operations and started earning toll income.

#### 3. Ircon Shivpuri Guna Tollway Limited (IrconSGTL)

IrconSGTL, a wholly owned subsidiary of IRCON was incorporated as a Special Purpose Vehicle on 12th May 2015 and has obtained approval for commencement of business from the Registrar of Companies on 27th May 2015. The main objects of IrconSGTL is to carry on the business of four laning of Shivpuri-Guna section of NH-3 from 236.00 km to 332.1 km on Build, Operate, and Transfer (BOT) (Toll) basis on Design, Build, Finance, Operate and Transfer 'DBFOT' pattern under NHDP Phase-IV in the State of Madhya Pradesh and other ancillary works relating thereto, in accordance with the terms of the Concession Agreement, signed with the NHAI on 15th June 2015. The concession period of the project is 20 years from the appointed date and the total project cost for execution of the Shivpuri Guna Project is Rs.872.11 crore.

In terms of the concession agreement, IrconSGTL attained financial close on 23rd November 2015 i.e. date of execution and signing of the loan agreement with IRCON for a value of Rs.722.11 crore. Other conditions set forth in the Concession Agreement as Conditions Precedent to Declaration of Appointed Date viz. signing of Escrow Agreement (between IrconSGTL, IRCON, Indian Overseas Bank, and NHAI) and Substitution Agreement (between NHAI, IrconSGTL, and IRCON) were completed on 4th December 2015.

NHAI had declared 25th January 2016 as the appointed

date for commencement of construction, with construction period of 910 days, for which IRCON has been appointed as EPC contractor. The Commercial Date of Operations (COD) was scheduled on 23rd July 2018. The COD has been achieved one and a half month ahead of the schedule i.e. on 6th June 2018. Thus, operation of toll plaza and collection of revenue has been started on the project w.e.f. 7th June 2018.

#### 4. Ircon Davanagere Haveri Highway Limited (IrconDHHL)

IrconDHHL, a wholly owned subsidiary of IRCON was incorporated as a Special Purpose Vehicle on 11th May 2017, pursuant to conditions of award of Davanagere Haveri Project in the State of Karnataka by NHAI. The main objects of IrconDHHL is to undertake the business of development, maintenance and management of National Highway No. 48 (Old NH-4) including the section from Km 260.00 to Km 338.923 (approx. 78.923 Km) on Davanagere – Haveri Section of National Highway No. 48 (Old NH-4) in the State of Karnataka by six-laning thereof on design, build, finance, operate and transfer basis. The concession period of the project is 15 years excluding construction period of 912 days (30 months) commencing from the appointed date i.e. 24th January 2018 and the works are progressing on the available front. The scope of work includes completion of 78.923 Km (total length of Highway) of main carriage way and 154.654 Km of service road length including major bridges culverts, VUPs, PUPs, flyovers and other availed works.

IrconDHHL has entered into concession agreement with NHAI on 19th June 2017. In terms of concession agreement, the total project bid cost is Rs.1177 crore plus escalation and First year O&M cost is Rs.10 crore. 40% of the project bid cost shall be reimbursed by NHAI during construction and balance 60% construction cost shall be arranged by SPV.

After considering reimbursement of 40% of the Project bid cost, the balance construction cost of Rs.720.05 crore is proposed to be funded by equity and loan of Rs.217.05 crore and Rs.503 crore respectively.

#### 5. Ircon Vadodara Kim Expressway Limited (IrconVKEL)

During the year 2018-19, IrconVKEL, a wholly-owned subsidiary of IRCON was incorporated as a Special Purpose Vehicle on 16th May 2018, pursuant to conditions of award of Vadodara Kim Expressway Project in the State of Gujarat by NHAI. The main object of IrconVKEL is to carry on the business of development, maintenance and management of Eight lane Vadodara Kim Expressway from Km 323.00 to Km 355.00 (Sanpa to Padra Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase – VI Hybrid Annuity Mode (Phase IA-Package II) on design, build, finance, operate and transfer basis.

IrconVKEL has signed the concession agreement with NHAI on 25th May 2018. Financial closure has been achieved on 25th September 2018. Appointed date fixed by NHAI is 31st January 2019. Completion period is 730 days from appointed date. First instalment of mobilization advance is received from NHAI on 25th April 2019. The project work is in progress. The total project cost is Rs. 1865 crores.

### B. Joint Venture Companies (JVCs):

#### 6. Ircon-Soma Tollway Private Limited (ISTPL)

A joint venture company called 'Ircon-Soma Tollway Private Limited' (ISTPL) was incorporated on 19th April 2005, with 50% equity participation by both IRCON and Soma Tollways Private Limited (STPL) (a construction company in

private sector) (out of the total shares, 6,38,69,999 shares are held by STPL and 1 share held by Soma Enterprises Limited, holding company of STPL), for executing BOT project for four laning of Pimpalgaon-Dhule section of NH-3 from km 380 to km 265 in Maharashtra for NHAI.

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

#### 7. Indian Railway Stations Development Corporation Limited (IRSDC)

IRSDC a joint venture company of Rail Land Development Authority (RLDA) and IRCON was established on 12th April 2012 and obtained certificate of commencement of business on 9th May 2012. The main object of IRSDC is to develop / re-develop the existing / new railway station(s) with enhanced level of passenger amenities through new constructions/ renovations including re-development of existing station buildings, platform surfaces, circulating area, etc., to improve their standards and provide a better customer experience. IRSDC is also empowered to undertake the commercial development of land/ air space of Railway land entrusted to it.

Union Cabinet on 17.10.2018 approved IRSDC as Nodal Agency for the entire station redevelopment program and as the main Project Development Agency (main PDA). As PDA, IRSDC has been permitted lease period of up to 99 years with right to enter into multiple sub leases and include all types of developments i.e. commercial, institutional and residential developments. Powers have been to IRSDC to approve its own plans under section 11 of the Railway Act, 1989. Pursuant to the Cabinet decision, IRSDC Board has been strengthened by including one representative each from Department of Economic Affairs / Ministry of Finance and NITI Aayog and Ministry of Railways.

Railway Board vide its letter dated 01.11.18 have entrusted all the stations on Indian Railways (except 12 entrusted to other agencies) for Techno-economic feasibility studies.

The following works are under Progress:

- (a) Habibganj Station Redevelopment project: The Habibganj Station project is progressing well and about 80% civil works have been completed. It is expected that the redeveloped station with better facilities and infrastructure will be opened to public in the year 2019-20.
- (b) Gandhinagar station redevelopment and Construction of 300 room 5-star hotel at Gandhinagar: Almost 87% of civil works is complete and finishing works have commenced. Electromechanical project unique features include successful launching of 99 m clear span truss across all tracks and platforms in the yard of which is the first of its kind in India.
- (c) Integrated Facility Management: IRSDC has started a new vertical in country by taking up 5 stations on Integrated Facility Management. In this model, Bangalore, Pune, Anand Vihar, Chandigarh and Secunderabad stations have been taken over for Integrated Facility Management. Reputed firms like Knight Frank (for Bangalore), BVG (for Pune) and Updater Services (UDA, for Anand Vihar, Chandigarh and Secunderabad) have been engaged on "management Contract" model prevalent in hotel industry, which IRSDC has specially adapted for railway stations.

- (d) **Works under Planning:** IRSDC has called tenders for development of 3 stations viz. Chandigarh, Anand Vihar and Bijwasan on EPC mode. In order to finance the same, loan has been sought from Indian Railways Finance Corporation (IRFC), financing for these stations through IRFC is in process.

IRSDC has called tenders for Surat, Baiyappanahalli, Gwalior and Nagpur stations on DBFOT mode. Tenders for Chandigarh commercial development with Mandatory development on DBFOT basis have also been called.

IRSDC has taken up preparation of master plans for Amritsar, Sabarmati, Udhna (in Surat), Thakurli (in Mumbai) and Chanakyapuri (in Delhi). IRSDC has awarded 42 stations to other CPSEs to act as PMC agencies for finalization of plans, bid management and supervision of construction work.

#### 8. Chhattisgarh East Railway Limited (CERL)

A joint venture company called 'Chhattisgarh East Railway Limited' (CERL) was incorporated on 12th March 2013, with equity participation by South Eastern Coalfields Limited, IRCON, and Chhattisgarh State Industrial Development Corporation Limited (nominee of Government of Chhattisgarh) in the ratio of 64:26:10 respectively, for development of coal connectivity corridor i.e. East Corridor (length 180 Km) in the State of Chhattisgarh. CERL had obtained Certificate for Commencement of Business on 7th May 2013.

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

Detailed Project Report (DPR) of CERL-I has been approved by Zonal Railways viz. South Eastern Central Railway with inflated mileage of 60% on chargeable distance of 175 km for five years as approved by the Ministry of Railways. The Financial Closure of CERL-I has been achieved on 24th November 2017. Stay by National Green Tribunal (NGT) for payment of compensation on account of Rehabilitation and Resettlement to land holders has been vacated in December 2017 and Government of Chhattisgarh has given permission for start of work in the section between km 0-10 of main line and km 0-28 of spur line. The section from Kharsia to Korichhapar (single line - 44 km) of CERL-I is targeted for commissioning by Sep-2019 and the balance works of CERL-I i.e. doubling of section between Kharsia to Korichhapar (44 Km), Korichhapar to Dharajaygarh (30 Km) is targeted for commissioning by March 2020.

A revised DPR with GST implications of CERL-II has been approved by Zonal Railways with inflated mileage of 60% on chargeable distance of 62 km for five years as approved by Ministry of Railways on 12th June 2018. Land demarcation, identification work and registration process for forest clearance has been completed. Financial closure will be achieved after forest clearance and signing of concession agreement.

#### 9. Chhattisgarh East-West Railway Limited (CEWRL)

A joint venture company called 'Chhattisgarh East-West Railway Limited' (CEWRL) was incorporated on 25th March 2013, with equity participation by South Eastern Coalfields

Limited (SECL), IRCON, and Chhattisgarh State Industrial Development Corporation Limited (nominee of Government of Chhattisgarh) in the ratio of 64:26:10 respectively, for development of coal connectivity corridor i.e. East-West Corridor (length 135 Km) in the State of Chhattisgarh. CEWRL had obtained the Certificate for Commencement of Business on 7th May 2013.

Detailed Project Report (DPR) was approved by Zonal Railways viz. South Eastern Central Railway with inflated mileage of 40% on chargeable distance of 135 km for five years as approved by the Ministry of Railways on 15th June 2017. Concession Agreement has been entered between CEWRL and Ministry of Railways on 1st July 2018. Financial closure of the project is expected shortly.

#### 10. Mahanadi Coal Railway Limited (MCRL)

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

MCRL has signed project execution agreement with IRCON on 19th April 2016. Angul-Balram-Jharpada new rail corridor has been identified by the Company for implementation. DPR of this project has been in principle approved by Railways in January 2018. The previously acquired land by MCL is yet to be transferred in the name by MCL in the name of East Coast Railway in accordance of Railway Amendment Act, 2008. The Ministry of Railways has approved inflated mileage of 60% for the project on 12th June 2018. The project has been approved as special Railway project by the Ministry of Railways on 23rd October 2018.

#### 11. Jharkhand Central Railway Limited (JCRL)

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

JCRL had signed project execution agreement with Ircon on 28th March 2016. Ministry of Railways has granted in-principle approval for transfer Shivpur-Kathautia New Line Project to the joint venture JCRL. Chainage started from Kathautia (0.00) to Shivpur (49.085) a total stretch of 49.085 Km. Detail Project Report (DPR) has been approved by Ministry of Railways. 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 13th June 2018. Concession Agreement with JCRL & E.C. Railway has been signed on 4th December 2018, financial closure is expected to be completed before August 2019. The construction of project is expected to start by October 2019 (subject to availability of forest land and financial closure of JCRL). Stage-I clearance of forest land has been received in June 2019. JCRL has made 42.54% of compensation of present total estimated value of land to Raiyats in two Districts. The physical possession is likely to start after July 2019.



## 12. Bastar Railway Private Limited (BRPL)

A joint venture company called 'Bastar Railway Private Limited' (BRPL) was incorporated on 5th May 2016, with equity participation by NMDC Limited (NMDC), IRCON, Steel Authority of India Limited (SAIL) and Chhattisgarh Mineral Development Corporation (CMDC) (nominee of Government of Chhattisgarh) in the ratio of 43:26:21:10 respectively, with the main object to build, construct, operate and maintain Rowghat to Jagdalpur (via Narayanpur, Kondagaon) new railway line, in the State of Chhattisgarh. Shareholders Agreement for BRPL has been entered on 20th January 2016. Subsequently, the revised shareholders agreement was entered amongst the shareholders on 25th May 2018 and the shareholding pattern of NMDC, IRCON, SAIL and CMDC was revised to 52:26:12:10.

IRCON is the implementation agency for the project and project execution agreement was signed on 19th July 2017. Detailed Project Report (DPR) has been approved by the

Ministry of Railways with 50% inflated mileage. As per the demand from State Government, Rs.188.88 crore and Rs.16.8 crore were paid to district administration of Bastar and Kondagaon respectively to commence the R&R activity. Proposal for Forest Clearance in Bastar & Kondagaon district has been submitted on 30th October 2018 and 16th October 2018 respectively.

The salient features of financial statements of subsidiary and joint venture companies as per provisions of the Companies Act, 2013 are disclosed in Form AOC-1 annexed to the Financial Statements.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY REPORT

**Appendix-C**

### 1. A brief outline of the Company's CSR & Sustainability Policy, including overview of projects or programs undertaken and its web-link:

IRCON has been leading the way in Corporate Social Responsibility (CSR) in India which evolved initially from social obligation to peripheral development leading to structured CSR. IRCON's Corporate Social Responsibility (CSR) and Sustainability interventions have been ongoing for more than eight decades. The company's social vision is to conduct its CSR Initiatives in line with its policy of conducting business in a socially responsible and sustainable way, keeping the needs and expectations of the key stakeholders on focus in various business activities.

IRCON has contributed immensely to the development of the remote areas of the country in terms of capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and up-liftment of the marginalized and under-privileged sections of the society, Swachh Bharat Initiatives etc.

As per the provisions of the Companies Act, 2013 (Section 135) and relevant guidelines from Department of Public Enterprises, IRCON has framed its CSR & Sustainability Policy centrally focusing on social impact and social change in the society through its CSR initiatives. The objective of the CSR & Sustainability Policy is to focus on the activities impacting society, economy and environment for betterment and growth. The policy acts as a guiding principle for its CSR initiatives encouraging various opportunities to explore in diversified fields of social sector to meet the basic necessary requirements by promoting a healthy and sound livelihood and social security for the community through its CSR efforts.

The policy also persists for implementing social - welfare activities in and around the IRCON's project sites in order to cater to the concerns of the communities that are affected by company's construction activities. This not only benefits the localities but also offer resources for better execution and implementation of the activity to reach out maximum beneficiaries.

During the year, IRCON has played a vital role in creating social value and impact through its CSR initiatives in diverse domains like promoting flagship programmes like Skill India, Digital India, Sarva Shiksha Abhiyan, Swachh Bharat, Namami Gange etc. Besides the above IRCON has taken initiatives for promoting gender equality and women empowerment, ensuring environment sustainability, employment enhancing vocational skills and welfare activities for SC/ST/OBCs, minorities and women etc.

India has a plethora of social issues and IRCON, in consultation with its Board, IRCON has taken some major CSR initiatives during the financial year 2018-19 targeting some key social concerns like Promoting Cleanliness & Sanitation, Safe Drinking Water, capacity building, empowerment of communities, inclusive socio-economic growth, environment protection through promotion of green and energy efficient technologies, promoting quality education, development of backward regions and up-liftment of the marginalized and under-privileged groups.

IRCON has spread its wings in various social sector areas through its CSR efforts in order to build a empowered society through its CSR projects that will integrate business and social goals in a sustainable manner, creating social impact through inclusive growth and planning. Some of the initiatives implemented during the year are:

- (a) Environment protection and sustainability through composting wet waste flowers produced by pilgrimages in 50 target temples in Maharashtra and promoting Clean environment and rivers, promoting

usage of Biogas plants among 500 marginal farmers living in remote areas of Sindhdurg district of Maharashtra, transforming kitchens of school hostels into Waste-to-Energy Kitchen among underprivileged communities at Vishakhapatnam, Andhra Pradesh, declared as an aspirational district by NITI AYOJ. Installation of solar lights and Handpumps in selected backward villages of Uttar Pradesh & Bihar.



Promoting environment sustainability by composting wet waste, flowers from various temples & nearby community through Ms Keshav Srushti in Maharashtra

- (b) Promoting health, hygiene and safety through initiatives targeting menstruation hygiene by generating awareness and in remote areas of Ghazipur, UP & Dahanu, Maharashtra. Other Health initiatives includes providing free medical camps service in remote areas of J&K
- (c) Promoting education through various programs in Chhattisgarh, Delhi, Jammu & Kashmir, Maharashtra, Gujarat, Bihar, Himachal Pradesh, Jharkhand and Orissa.



Supporting health & hygiene and generating women employability by manufacturing low-cost sanitary napkin Sakhi through Ms Vatsalya Foundation at Dhanu, Maharashtra

- (d) Enhancing Skills and developing competency through Skill Development Training programs in the states of Jammu & Kashmir, Madhya Pradesh, Chhattisgarh, Punjab, Maharashtra, Delhi and Jharkhand.
- (e) Initiatives for Sports & Culture by supporting Nowgong Sports Association & Karnail Singh Stadium for promoting sports in the country

Apart from the above activities IRCON has also been actively working towards sanitation and cleanliness by constructing toilets (public convenience) for the community, school students and public in general. IRCON as a responsible entity has been also contributing to the National Movements like Swachh Bharat Kosh and Clean Ganga Fund for the developmental growth of the nation. Besides above, the following were the notable achievement for the projects undertaken during the year 2018-19, which have been appreciated at various levels:



IRCON provides ambulance under CSR initiative



Promoting quality education through supporting 100 identified students at EKAL Vidyalaya at Dehra, Himachal Pradesh

- (a) Constructed three numbers of seven-eight & twelve seated community toilets at rural areas of Ghazipur, Uttar Pradesh. One of the toilets has been planned to be constructed near Ganga river in order to promote health & hygiene for community. Besides above, in order to promote Cleanliness & Sanitation IRCON has done installation of 200 twin stainless steel Dustbins at 5 stations of Agra Division & sanitation.
- (b) Conservation and Sustainability of Environment through installation of 571 Solar Lights at Ghazipur, Uttar Pradesh & Sheikhpura & Samastipur, Bihar being aspirational district declared by NITI Ayog.



Skill Development Training Centre for women at Khora, Ghaziabad

- (c) Eighteen Divyang (differently abled) students in Jalgaon, Maharashtra have qualified for competitive exams in the last six months with the help of Ircon's CSR programme called 'Project Manobal'. These students have cleared examinations of MPSC, MSRTC, CDPO, and BMC. Some of these successful candidates have resumed their jobs too;
- (d) IRCON's CSR initiative for skill development imparted training to women, underprivileged weaker sections, SC/ST/OBC at Khari (J&K), Ranchi (Jharkhand), Gurdaspur (Punjab), Delhi & Assam empowering lower strata of the society for socio-economic upliftment.
- (e) Apart from the above, IRCON's CSR - App is providing a transparent outlook of CSR Activities and is reaching out to the maximum beneficiaries through

modern technology for both Android & Ios users both. IRCON has taken a step head to reach out to the stakeholders across the country.

- (f) IRCON has been appreciated in its CSR endeavours and has bagged various awards during the year like ET NOW - Stars of the Industry Award, 11th Construction Industry Development Council (CIDC) Vishwakarma Award for Social Development & Impact 2018 & CIDC Partners in progress Trophy for contribution in Mission Skill India

The updated CSR and Sustainability Policy of the Company, along with the projects / activities as approved by the Board of Directors is available at the web-link -- [http://www.Ircon.org/index.php?option=com\\_content&view=article&id=52&Itemid=424&lang=en](http://www.Ircon.org/index.php?option=com_content&view=article&id=52&Itemid=424&lang=en)

**2. Composition of CSR Committee:**

The company has a Board level CSR & Sustainability Committee headed by an Independent Director to monitor & ensure implementation of CSR agenda of the company. Committee is assisted by an officer not below the rank of Chief General Manager designated as the Nodal Officer and her team of the officials. The Nodal Officer and her team assist the Committee in selection, approval and monitoring of the Corporate Social Responsibility & Sustainability activities/ projects.

- a) CSR and Sustainability Committee has been constituted in terms of the Companies Act, 2013, and DPE CSR and Sustainability Guidelines, 2014. A brief background on the constitution of Committee, its mandate, along with details of meetings held during 2018-19 are given in the Corporate Governance Report. Presently, the Committee is headed by Dr. Narinder Singh Raina, Chairman (Independent Director), Mr. Ashok Kumar Ganju, Independent Director (Part-Time official), Mr. Hari Mohan Gupta, Government Nominee (Part-time Official) Director; and Mr. Deepak Sabhlok, Director (Projects); as its members.
- b) During the year 2018-19, the Committee has been assisted by Ms. Anupam Ban, Chief General Manager (HRM), as the Nodal Officer along with Mr. Surajit Dutta, Chief General Manager (Finance) and the team of officials.



Free Medical Camp at Jammu under CSR initiative

- 3. **The average net profit of the Company from Indian projects in the last three financial years is Rs. 436.94 crores.**
- 4. **The CSR Budget for the financial year 2018-19 was Rs. 8.75 crores** which is 2% of the average of the net profits earned by IRCON from its Indian projects during the last three financial years.
- 5. **During the year 2018-19, the Company utilized an amount of Rs. 8.75 crore completely on its CSR & Sustainability activities as per the allocated budget for the year.**
- 6. **The CSR & Sustainability Committee confirms that the implementation and monitoring of the CSR & Sustainability policy is in compliance with the CSR objectives and policy of the company.**

**Details of CSR Projects undertaken during the year 2018-19 are as follows:**

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2018-19			Cumulative expenditure up to 2018-19	Amount Spent/Direct or through implementing agency)
				Total	During 2018-19	(1) Direct expenditure on projects or programs	(2) Over heads	(3) Total		
1	Construction of 3 community toilets at Ghazipur, UP		(1) Other (2) Uttar Pradesh, Ghazipur	94.21	51.59	51.59	-	51.59	94.21	Through M/s Sulabh International Social Service Organisation
2	Provision of 200 Dustbins at Agra Division		(1) Local (2) Uttar Pradesh, Agra	21.85	-	-	-	-	21.85	Through Northern Railway Division
3	Environment Sustainability through composting wet waste from flowers, waste etc. produced by pilgrimages by My Green Society Initiative under M/s Keshav Srushti in Maharashtra		(1) Other (2) Maharashtra, Thane	40.00	36.25	36.25	-	36.25	36.25	Through M/s Keshav Srushti
4	Promoting Environment Sustainability through usage of Biogas plant for supporting 500 marginal farmers by M/s Bhagirath Gramvikas Pratishthan in Sindhudurg district, Maharashtra (3 yrs)	Swachh Bharat [S. No. (i) of Sch VII]	(1) Other (2) Maharashtra, Sindhudurg	30.00	8.55	8.55	-	8.55	8.55	Through M/s Bhagirath Gramvikas Pratishthan
5	Promoting Cleanliness through Waste-to-Energy for school kitchens in Adivasi communities by M/s LAYA in Vishakhapatnam (2 yrs)		(1) Local (2) Andhra Pradesh, Vishakhapatnam	35.20	28.40	28.40	-	28.40	28.40	Through M/s LAYA
6	Contribution to Swachh Bharat Kosh		Swachh Bharat Kosh, Deptt. Of Expenditure (Min. of Finance)	136.00	136.00	136.00	-	136.00	136.00	Direct
7	Plantation of fruit trees and other trees at Raebareli project site.	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Uttar Pradesh, Raebareli	8.60	0.52	0.52	-	0.52	8.60	Direct

(Amount ₹ in Lakhs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2018-19			Cumulative expenditure up to 2018-19	Amount Spent(Direct or through implementing agency)
				Total	During 2018-19	(1) Direct expenditure on projects or programs	(2) Over heads	(3) Total		
8	Environment sustainability through plantation in Reasi, J&K (3 yrs)	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Reasi, J&K	43.70	9.85	9.85	-	9.85	27.57	Direct
9	Up gradation of facilities for solar grid and LED Lighting at Janta Adarsh Andh Vidyalaya in New Delhi	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Delhi	20.00	0.71	0.71	-	0.71	19.53	Direct
10	Provision of 50 hand pumps for development of the villages in Ghazipur	Drinking Water [S. No. (i) of Sch VII]	(1) Other (2) Uttar Pradesh, Ghazipur	21.80	19.62	19.62	-	19.62	19.62	Through Jal Nigam, Ghazipur
11	Provision of 500 solar light for development of the villages in Ghazipur	Environment [S. No. (iv) of Sch VII]"	(1) Other (2) Uttar Pradesh, Ghazipur	69.83	69.83	69.83	-	69.83	69.83	Direct
12	Provision of 50 Hand pumps in villages of Distt. Basti, U.P for safe drinking water by M/s Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd	Drinking Water [S. No. (i) of Sch VII]	(1) Other (2)Uttar Pradesh, Basti	18.15	18.15	18.15	-	18.15	18.15	Through M/s Bhartiya Co-operative Gramin Vikas Evam Nirman Ltd
13	Empowerment of rural communities through provision of 71 Solar Lights in 10 villages of Bihar by M/s IEED	Environment [S. No. (iv) of Sch VII]	(1) Local (2) Bihar, Sheikhpura & Lakhisarai	33.24	22.50	22.50	-	22.50	22.50	Direct
14	Contribution to Clean Ganga Fund	Environment [S. No. (iv) of Sch VII]	National Mission for Clean Ganga	136.00	136.00	136.00	-	136.00	136.00	Direct

(Amount ₹ in Lakhs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2018-19			Cumulative expenditure up to 2018-19	Amount Spent(Direct or through implementing agency)
				Total	During 2018-19	(1) Direct expenditure on projects or programs	(2) Over heads	(3) Total		
15	Imparting skill Development training through National Handicapped Finance & Development Corporation in Madhya Pradesh	Employment Enhancing Education for Differently abled(S. No. (ii) of Sch VII)	(1) Local Madhya Pradesh, Shivpuri- Guna	20.07	2.01	2.01	-	2.01	20.07	Through M/s National Handicapped Finance & Development Corporation in Madhya Pradesh
16	Providing Computer literacy to Ekal Vidyalayas through Mobile Computer lab in Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local Chhattisgarh, Raigarh	26.62	3.31	3.31	-	3.31	24.97	Through M/s EKAL Gramotthan Foundation
17	Employment for rural women through SHGs and provision of sanitary napkins disposal machines	Health[S. No. (i) of Sch VII]	(1) Local Maharashtra, Dhule-Pimpalgaon	26.00	9.59	9.59	-	9.59	26.00	Through M/s Vatsalya Foundation
18	Vocational training for rural women in three trades at one centre in Gurdaspur, Punjab through BSGSS	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Other Punjab, Gurdaspur	20.17	9.25	9.25	-	9.25	20.17	Through M/s Bismouli Sarvodya Gram Sewa Sanstha
19	Contribution to GODHULI for education of street children	Education [S. No. (ii) of Sch VII]	(1) Local Delhi	4.00	0.40	0.40	-	0.40	4.00	Through M/s GODHULI
20	Project Ankur - Training to Supervisors and Anganwadi teachers in Thane, Maharashtra	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Local Maharashtra, Palgarh	20.00	11.00	11.00	-	11.00	20.00	Through M/s Quality Education Support Trust
21	Provision of Rice cooker and roller conveyor for Mid day Meal at Mathura	Health [S. No. (i) of Sch VII]	(1) Local Uttar Pradesh, Mathura	21.50	2.15	2.15	-	2.15	21.50	Through M/s Akshaya Patra Foundation
22	Contribution to 100 Ekal vidyalayas in Himachal Pradesh	Education [S. No. (ii) of Sch VII]	(1) Other Himachal Pradesh, Dhera (Kangra)	20.00	2.00	2.00	-	2.00	20.00	

(Amount ₹ in Lakhs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2018-19			Cumulative expenditure up to 2018-19	Amount Spent(Direct or through implementing agency)
				Total	During 2018-19	(1) Direct expenditure on projects or programs	(2) Over heads	(3) Total		
23	Contribution to 100 Ekal vidyalayas in Jharkhand	Education [S. No. (ii) of Sch VII]	(1) Local (2) Jharkhand, Giridih	20.00	2.00	2.00	-	2.00	20.00	Through M/s EKAL Gramotthan Foundation
24	Contribution to 100 Ekal vidyalayas in Raigarh and Korba districts of Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Chhattisgarh, Raigarh & Korba	20.00	2.00	2.00	-	2.00	20.00	
25	Construction of computer lab and provisions of computers at Navgaon, Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Chhattisgarh, Navgaon	18.15	4.56	4.56	-	4.56	9.12	Direct
26	To provide financial assistance for establishing training centre for specially abled and poor youth by M/s Deepstamba Foundation	Education [S. No. (ii) of Sch VII]	(1) Other (2) Maharashtra, Jalgaon	50.00	25.00	25.00	-	25.00	50.00	Through M/s Deepstamba Foundation
27	Employment oriented training and skill development program for unemployed youth/ SC/ ST/ OBC women and EWS of society by M/s CIDC	Employment Enhancing [S. No. (ii) of Sch VII]	(1) Local (2) Jharkhand, Ranchi	93.13	28.87	28.87	-	28.87	93.13	Through M/s Construction Industry Development Council
28	Interactive Multimedia for English Literacy in Subject Employability skills by M/s SNDT Women's University	Education [S. No. (ii) of Sch VII]	(1) Local (2) Maharashtra, Mumbai	25.00	6.25	6.25	-	6.25	16.25	Through M/s SNDT Women's University
29	Contribution for quality education of 100 tribal students through M/s Kalinga Institute of Social Sciences	Education [S. No. (ii) of Sch VII]	(1) Local (2) Orissa, Bhubaneswar	30.00	15.00	15.00	-	15.00	30.00	Through M/s Kalinga Institute of Social Sciences

(Amount ₹ in Lakhs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2018-19			Cumulative expenditure up to 2018-19	Amount Spent(Direct or through implementing agency)
				Total	During 2018-19	(1) Direct expenditure on projects or programs	(2) Over heads	(3) Total		
30	Skill Development training for 20 BPPL students in Ayurvedic Panchakarma Therapy through M/s Santhigiri	Employment Enhancing [S. No. (ii) of Sch VII]	(1) Local (2) Delhi	18.60	13.75	13.75	-	13.75	18.60	Through M/s Santhigiri Ashram
31	Provision of 1 gymnasium each in 10 villages of Muzaffarnagar, UP	Health [S. No. (i) of Sch VII]	(1) Other (2) Uttar Pradesh, Muzaffarnagar	15.00	-	-	-	-	12.65	Direct
32	Skill Development Works for generating employment opportunities at Khari	Employment Enhancing [S. No. (ii) of Sch VII]	(1) Local (2) Jammu, Khari	14.89	13.40	13.40	-	13.40	13.40	Through M/s Regional Centre for Entrepreneurship Council
33	Running and maintenance cost health unit existing at Banihal, J&K	Health [S. No. (i) of Sch VII]	(1) Local (2) Jammu, Banihal	8.00	5.97	5.97	-	5.97	5.97	Direct
34	Empowerment of women through Skill Development Training Programs by M/s BSGSS in Pathankot, Punjab	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Other (2) Punjab, Pathankot	31.32	25.40	25.40	-	25.40	25.40	Through M/s Bismouli Sarvodya Gram Sewa Sanstha
35	Empowerment of women through Skill Development Training Programs by M/s BSGSS in Ghaziabad, UP	Employment Enhancing Education [S. No. (ii) of Sch VII]	(1) Local (2) Uttar Pradesh, Ghaziabad - Khora	31.32	20.96	20.96	-	20.96	20.96	
36	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]	(1) Other (2) Uttar Pradesh, (Ghazipur)	17.14	16.58	16.58	-	16.58	16.58	Through M/s Vatsalya Foundation & M/s Sewa Samarpan Sansthan



(Amount ₹ in Lakhs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2018-19			Cumulative expenditure up to 2018-19	Amount Spent(Direct or through implementing agency)
				Total	During 2018-19	(1) Direct expenditure on projects or programs	(2) Over heads	(3) Total		
37	Contribution to GODHULI for promoting the education for street Children in Delhi	Education [S. No. (ii) of Sch VII]	(1) Local (2) Delhi	5.40	4.86	4.86	-	4.86	4.86	Through M/s GODHULI
38	Provision of 60 medical camps by M/s Arogya Foundation in J&K	Health [S. No. (i) of Sch VII]	(1) Local (2) J&K, Jammu, Samba, Rajouri, Udhampur, Ramban, Doda, Kishtwar, Reasi	15.00	15.00	15.00	-	15.00	15.00	Through M/s Arogya Foundation
39	Contribution to 100 Ekal vidyalayas in Raigarh and Korba districts of Chhattisgarh	Education [S. No. (ii) of Sch VII]	(1) Local (2) Chhattisgarh, Raigarh & Korba	20.00	18.00	18.00	-	18.00	18.00	Through M/s EKAL Gramothan Foundation
40	Provision and repairment of Ambulance to Govt Hospital, Phalodi, Rajasthan	Health [S. No. (i) of Sch VII]	(1) Local (2) Rajasthan, Bikaner	3.00	3.00	3.00	-	3.00	3.00	Direct
41	Contribution to 100 Ekal vidyalayas in Jharkhand	Education [S. No. (ii) of Sch VII]	(1) Local (2) Jharkhand, Giridih	20.00	18.00	18.00	-	18.00	18.00	Through M/s Bharat Lok Shiksha Parishad
42	Contribution to 100 Ekal vidyalayas in Himachal Pradesh	Education [S. No. (ii) of Sch VII]	(1) Other (2) Himachal Pradesh	20.00	18.00	18.00	-	18.00	18.00	
43	Promoting Sports through contribution for Infrastructure Development of Nurual Amin Stadium, Nagaon Sports Association in Nagaon, Assam	Sports [S. No. (v) of Sch VII]	(1) Local (2) Assam, Nagaon	77.00	19.25	19.25	-	19.25	19.25	Through M/s Nowgong Sports Association

(Amount ₹ in Lakhs)

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise		Amount Spent on the Projects or Programs during 2018-19			Cumulative expenditure up to 2018-19	Amount Spent(Direct or through implementing agency)
				Total	During 2018-19	(1) Direct expenditure on projects or programs	(2) Over heads	(3) Total		
44	Evaluation for CSR Works for FY 2016-17 and survey, printing compendium etc.	Health, Education, Sanitation, Skill Development and administration cost etc.	NA	44.00	21.35	-	21.35	21.35	21.35	Direct
	<b>Total</b>			<b>1,463.88</b>	<b>874.88</b>	<b>853.53</b>	<b>21.35</b>	<b>874.88</b>	<b>1,273.29</b>	

For and on behalf of the Board of Directors

Sd/-

**(Deepak Sabhlok)**

Director Projects &amp; Member, CSR and Sustainability Committee (DIN 03056457)

Sd/-

**(Dr. Narinder Singh Raina)**

Chairperson, CSR and Sustainability Committee (DIN 07968391)

Sd/-

**(S K Chaudhary)**

Chairman &amp; Managing Director (DIN 00515672)

Place: New Delhi

 Date: 22<sup>nd</sup> July 2019

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. AN OVERVIEW

Ircon International Limited (IRCON/ The Company) is an integrated engineering and construction company, specializing in major infrastructure sectors, including railways, highways, bridges, flyovers, tunnels, aircraft maintenance hangars, runways, EHV sub-stations, electrical and mechanical works, commercial and residential properties, development of industrial areas, and other infrastructure activities. IRCON provides EPC services on a fixed-sum turnkey basis as well as on an item-rate basis for various infrastructure projects. IRCON also executes projects on Build, Operate and Transfer (BOT) mode by leveraging the financial strength of the Company to sustain future earnings.

IRCON has a long-standing reputation as a sectoral leader in Transportation Infrastructure amongst the public sector construction companies in the country with specialization in execution of Railway Projects on turnkey basis or otherwise. IRCON is known for its quality solutions, commitment and consistency in terms of its performance.

IRCON has executed many landmark construction projects in the last 43 years both in India and abroad. It has actively focused on becoming a diversified infrastructure player, both in terms of sectoral and geographical coverage. After commencing business as a railway construction company it diversified progressively since 1985 into entire gamut of construction activities and infrastructure services; even though, its primary focus and strength are still deeply rooted in the railway sector

It is one of the few construction companies in the public sector to have earned substantial foreign exchange for the Country and paid dividend without fail every year to the Government.

Over the years, the company has extended its operations to other geographies including countries like Algeria, Bangladesh, Iran, Iraq, Malaysia, Nepal, South Africa, Sri Lanka, Bhutan, Myanmar and Afghanistan. The Company has so far completed more than 128 projects in 24 countries across the globe, and 383 projects in India. In India, in particular, it has also been undertaking projects even in difficult terrains and disturbed regions and is an active participant in prestigious nation building projects. While, the Company already has its presence in many states in India, it intends to further expand its domestic operations across India as part of its business growth model.

IRCON is an ISO certified Company for Quality, Environment, and Occupational Health and Safety Management Systems, a Schedule 'A', and a Mini Ratna – Category I public sector listed company.

### 2. LEGAL STATUS AND AUTONOMY

IRCON, a legal entity separate from the Government, is legally, functionally, and financially autonomous, operates under the corporate laws as an independent commercial enterprise, 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 its performance through a system of Memorandum of Understanding (MOU) as regards targets to be achieved every year as part of accountability to the Parliament in

respect of all government companies. Government can issue and does issue guidelines to regulate and bring about some uniform pattern in the functioning of the Company as a public sector enterprise. However, no Government department has any supervisory authority to exercise control over the Company which is managed and run under the superintendence, control, and direction of its Board of Directors as per the Companies Act.

During the year 2018-19, the Government has disinvested 10.53% of the paid-up share capital by Initial Public Offer and the public shareholding as on 31st March 2019 stood at 10.82%. Further, IRCON is required to increase public shareholding to at least 25% in near future as part of Minimum Public Shareholding (MPS) norms prescribed as a continuous listing requirement under Securities Contract Regulations Rules, 1957 for the listed companies which will be done by the Government of India by further selling its 15% holding to the public.

IRCON has been ranked amongst the Top 500 Indian Companies in Fortune India 500 companies list published in the special quarterly issue of December 15, 2018, to March 14, 2019 of Fortune India Magazine. The Company has also been recognised and ranked under the Top 50 most profitable PSUs in India, the Top 10 best performing PSUs on the basis of cash efficiency, the Top 10 PSUs on the basis of book value (per share) in the February 2019 issue of Fortune India Magazine.

### 3. OUTLOOK

The Vision and Mission of the Company are as follows:

#### A. Vision

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

#### B. Mission

- i) To effectively position the Company so as to meet the construction needs of infrastructure development of the changing economic scene in India and abroad.
- ii) To earn global recognition by providing high quality products and services in time and in conformity with the best engineering practices.

### 4. BUSINESS ENVIRONMENT

As per the second advanced estimates of National Income 2018-19 released by Central Statistics Office (CSO) Ministry of Statistics & Programme Implementation, Government of India the growth rate of Indian economy is estimated to be 7.0% in 2018-19, which is lower than the growth rate of over 7.2% in 2017-18. Similarly, it is anticipated that the growth of real Gross Value Added (GVA) is 6.8% as against the 6.9% in 2017-18. Despite the decrease in the overall GDP & GVA, the construction sector is likely to register growth rate of 8.9% as compared to growth of 5.6 percent in 2017-18.

India has been ranked 100 (improvement of 30 ranks over its rank of 130) in the World Bank's latest Doing Business Report 2018. Moody's Investors Service has also raised India's rating from the lowest investment grade of Baa3 to Baa2. This is due to a host of measures undertaken by the Government including implementation of GST, Insolvency and Bankruptcy Code, and announcement of bank recapitalization. A number of reforms were undertaken to boost industrial growth including 'Make in India'

programme, 'Start-up India' and Intellectual Rights Policy.

## 5. SECTORAL OUTLOOK

Infrastructure is the backbone of any nation's development and quality of life. Whether it is highways or railways or airways or digi-ways, the Company has gone beyond incremental growth to quantum improvements.

Over fiscals 2019-2022, CRISIL Research expects the construction sector to increase by 54% to Rs.22.2 trillion. Of this about 93% is contributed by infrastructure investments while the rest is from Industrial. This growth in infrastructure investments is driven by government initiatives and budgetary support especially in sectors such as Roads, Irrigation, Urban Infrastructure and Railways. Over the next 3 years, the construction opportunity in Railways is expected to double, driven by investments by public as well as private sector especially in Network decongestion, expansion and Safety which account for over half of the total investments in railways during this period. Investments in key segments such as new lines, gauge conversion, doubling, track renewals, and electrification will account for Rs.2.3 trillion (73%) of the construction opportunity during fiscals 2019-2022 with doubling accounting for the highest share at 31% during this period. CRISIL Research also expects the investments in railway sector to increase by about 77% from Rs.3.9 trillion in fiscals 2015-2018 to Rs.6.8 trillion in fiscals 2019-2022.

Some of the initiatives of the Government as part of infrastructure development which may yield business opportunities for IRCON are detailed below:

### A. Railways:

Railway capex for the year 2019-20 is set at a record level of Rs.1.6 trillion. Rolling stock has been a major thrust area for Indian Railways and new trains have been introduced. Indian Railways (IR) is undertaking several initiatives to ensure passenger safety and security. Modernisation and mechanisation of rolling stock and station infrastructure is also being pursued more aggressively.

A few highlights in development of Railways sector are as follows:

- According to India Infrastructure Research, the railways sector offers an investment opportunity of over Rs.10 trillion across various segments. Of this, 80% is constituted by rail tunnels, doubling works and new line projects combined together.
- In the next four to five years, IR plans to undertake 22,825 km of new line and 12,215 km of line doubling. Besides, it plans to electrify at least 28,000 km of railway network. Also, 3,360 km of Dedicated Freight Corridor (DFC) is expected to be commissioned by 2020.
- The eight proposed high speed rail (HSR) projects will entail a total investment of at least Rs.13 trillion over the next 15-20 years. In addition, nine semi-HSR projects are in the planning stage.
- Further, IR plans to manufacture a total of 4,941 coaches in 2019-20 and 4,839 coaches in 2020-21. It is also setting up 17 new manufacturing units at an estimated cost of Rs.390 billion.
- About Rs.1.1 trillion worth of investment opportunities in station and commercial development around stations is anticipated under IR's station re-development programme.
- Given the mandate to ramp up the renewable energy share in IR's total energy mix, IR has set ambitious targets of setting up 1000 MW and 200 MW of solar and wind power respectively by 2020.

- All-inclusive, the railways sector in India is poised to become one of the major drivers for economic growth in the country. Going forward, IR's network expansion and decongestion plans are expected to create huge opportunities for project developers, EPC contractors, technology providers, manufacturers of rolling stock, renewable energy developers, and transmission and distribution equipment providers.

Apart from these initiatives, Railways infrastructure development have also been emphasized. This includes focus on commissioning of new Broad Gauge lines, completion of electrification and also providing infrastructure status to Station Development. The station re-development has been undertaken through various modes such as Zonal Railways, Indian Railway Stations Development Corporation Limited (IRSDC), JV between IRCON and RLDA with Smart City SPVs, Railway PSUs and Co-operation with State Government.

### B. Roads:

India has second largest road networks in the world, spanning a total of 5.5 million kilometres (kms). Increased industrial activities, along with increasing number of two and four wheelers have supported the growth in the road transport infrastructure projects. The government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with a large number of private players entering the business through the public-private partnership (PPP) model. The government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 200,000 km national highways are expected to be completed by 2022.

To achieve the vision of massive highway network in the country, the government's flagship highway construction programme 'Bharatmala Pariyojna' was started in 2017, which is an umbrella programme comprising 65,000 km of highways, out of which 24,800 km highways fall along economic corridors, inter corridors, feeder routes and border roads. The "ambitious" project, with a total capital outlay of Rs.6.92 lakh crore will see construction of Economic Corridors (9000 km), Inter Corridor and Feeder Route (6000 km), National Corridors Efficiency Improvement (5000 km), Border Roads and International Connectivity (2000 km), Coastal Roads and Port Connectivity (2000 km), Green field Expressways (800 km) and remaining work of NHDP works (10,000 km). The first phase, being undertaken between 2017 and 2022, will see construction of 34,800 km of national highways, including 10,000 km of remaining highways under NHDP, at the cost of Rs. 5.35 lakh crore.

All these highways, along with 10,000 km residual National Highway Development Projects stretches have been envisaged for construction under Phase-I of the Pariyojana over a period of five years from 2017-18 to 2021-22 for which Rs. 5.35 lakh crore have been earmarked.

The Government has taken various measures for providing boost to the road sector, which includes measures such as conversion of State Highways to National Highways; connecting rural roads to main roads through Pradhan Mantri Gram Sadak Yojana (PMGSY). In addition, the Ministry of Road Transport and Highways (MORTH) and National Highways Authority of India (NHAI) have been monitoring the stalled projects and initiated revival of projects by infusion of funds and expediting completion of delayed projects. The government has taken various steps for streamlining of land acquisition & environment clearances, exit for equity investors, premium re-scheduling, revamping of dispute resolution mechanism, frequent reviews at various levels etc.

In order to facilitate implementation of more road projects, the Government has introduced and adopted Hybrid Annuity Model (HAM) in addition to Engineering, Procurement and Construction (EPC) mode for execution of the projects. In HAM mode, the capital expenditure is shared by the client and requires lesser amount of funds by the developer during construction years in comparison to projects on EPC mode. Moreover, the risk of tolling is taken by the Government, thus, making the easy availability of funds from the financial institutions. Further, initiatives such as monetization of projects through the Toll Operate and Transfer model, securitization of toll revenue, adopting the Infrastructure Investment Trusts route, and other innovative financing options such as through LIC, Long Term Pension Funds etc., have been taken up to attract fresh capital from the market on the strength of already operational projects.

In **International arena, opportunities exist** in countries like Bangladesh, Thailand, Turkey, Ghana, Sri Lanka, Mozambique, Rwanda, UAE, Malaysia, Oman and Guinea.

Few countries such as Sri Lanka, Bangladesh, Malaysia, Algeria and South Africa also offer avenues for Indian construction companies to expand their foot print due to their increased construction spends as a percentage of GDP (current prices).

In case of Sri Lanka, construction contributed about 7.4% of the GDP (Current prices) in 2015 while it is about 7.3% in 2015-16 for Bangladesh. Similarly, Malaysia's construction spend stood at 4.7%, Algeria's construction spend was at 11.5% in 2015 and South Africa's construction spend was steady at 3.5% (constant prices). Sri Lanka and Bangladesh are expected to offer opportunity in Railways as well. In case of Sri Lanka and Bangladesh, long term plans by respective railways reveals investment to the tune of LKR 289 billion and Tk 2.34 trillion respectively.

For Sri Lankan Railway, only improvement of existing railway network and construction of new railway lines offer

significant amount of construction potential, as the projects under these segments involve construction of bridges, laying of tracks, strengthening of tracks, Electrification, track renewals among others.

## 6. FINANCIAL AND OPERATIONAL PERFORMANCE

### A. Financial Performance:

The total income of the Company during 2018-19 stood at Rs.4679.54 crore as compared to Rs.4121.44 crore in 2017-18. About 94.34% of the total income i.e. Rs.4415.10 crore, has arisen from operations, out of which about 13.27% i.e. Rs.586 crore has been contributed by foreign projects.

Operating income from foreign projects has decreased by 2.59% over the previous year. The main reason for lower contribution of foreign turnover are that the projects at South Africa is nearly at completion stage, one project at Bangladesh has got completed this year and other projects at Bangladesh and Algeria are going on. There had been a corresponding increase of 16% in Profit before tax from Rs.530.35 crore in 2017-18 to Rs.615.18 crore in 2018-19. Profit after Tax has increased by 14.64% from Rs.387.90 crore in 2017-18 to Rs.444.68 crore in 2018-19. Net Worth has increased by 5.54% during the year and earnings per share have increased by 19.09% from Rs.39.70 in 2017-18 to Rs.47.28 in 2018-19.

Turnover of the Company for the year 2018-19 is at Rs.4415.10 crore and is record high for IRCON, the earlier highest figure being Rs.4220.19 crore in the year 2012-13. The Company has secured new projects whereby the order book stands increased to Rs.33,901 crore approx. at the close of the financial year 2018-19.

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

Details of significant changes (i.e. change of 25% or more as compared to the FY 2017-18) in key financial ratios, along with detailed explanations thereof is as follows:

S. No.	Name of Ratio	Formula	2017-18	2018-19	Changes in ratio as compared to FY 2017-18	Remarks
1	Debtors Turnover	Revenue from Operation/ Average Account Receivable	7.13	7.53	6%	--
2	Inventory Turnover	Operating Expenses/ Average Inventory	23.06	15.80	-31%	There is variation of 31 % in Inventory Turnover ratio in comparison to corresponding previous year due to increase in WIP (at cost) by Rs.168.86 Crore.
3	Interest Coverage	EBIT/Interest Expense		139.9	100%	There is no interest expenses in 2017-18. Hence, there is variation in Interest Coverage Ratio of 100% in comparison to previous year.
4	Current Ratio	Current Assets/Current Liabilities	1.66	1.32	-20%	Current Ratio has changed by 20% in comparison to previous year due to transfer of current maturities of Long Term Debt & Interest thereon from Non-Current.
5	Operating Profit Margin	(PBT-Other Income)/ Turnover	0.077	0.079	3%	--
6	Net Profit Margin	Net Profit / Total Income	0.09	0.095	1%	--
7	Return on Net Worth	Net Profit / Average Net Worth	0.10	0.12	13%	Net worth has changed due to transfer of surplus and payment of dividend & taxes thereon.
8	Debt/Equity	Debt/Total Shareholders Equity	0.85	0.65	-24%	Debt Equity ratio has been varied by 24% due to transfer of current maturities of Long Term Debt & Interest thereon from Non-Current.

During the year, no deviation has been made from that prescribed in the Accounting Standard has been made while preparing the financial statements.

## B. Operational Performance:

### (i) Sectoral Performance:

During the year, more than 85% of the revenue is from Railway sector, out of which 50% is on nomination basis from Ministry of Railways; the balance 35% is from foreign railway projects including projects in Algeria and Bangladesh as well as the projects which IRCON is doing for DFC and toll connectivity projects. Though main focus of IRCON is in railways, the Company is also doing highways business, revenue from which is approx. 12.5%. Revenue from electrical works and building works constitute the balance revenue.

A sector-wise comparative position for the last three years is given below:

(in ₹. crore)

Sectors	2018-19		2017-18*		2016-17	
	Operating Income	%	Operating Income	%	Operating Income	%
Railways	3758	85.12	2904	74.63	2098	69.25
Highways	555	12.57	844	21.70	592	19.67
Electrical	97	2.20	89	2.29	255	8.45
Buildings	5	0.11	48	1.23	78	2.60
Others	-	-	6	0.15	1	0.03
<b>Total</b>	<b>4415</b>	<b>100</b>	<b>3891</b>	<b>100</b>	<b>3024</b>	<b>100</b>

\* Figures have been re-grouped.

### (ii) Segment-wise Performance:

Contribution of foreign projects to total revenue has decreased from approximately 15% in 2017-18 to 13% in 2018-19. A comparative position for the last three years is given below:

(in ₹. crore)

Segments	2018-19		2017-18*		2016-17	
	Total Income	%	Total Income	%	Total Income	%
Foreign	605	13	622	15	339	10
Domestic	4075	87	3499	85	2915	90
Total	4680	100	4121	100	3254	100

\* Figures have been re-grouped.

## 7. STRENGTH

Since incorporation, IRCON has diversified into various infrastructure sectors and is now an established player in the field of railways and highways construction. The Company also caters to customers' needs in many other areas such as construction of commercial and residential complexes, power transmission lines, industrial lighting, bridge/fly-overs and has a track record of on-time and high quality project completion which has helped in developing a strong reputation resulting in increased opportunities to bid for larger and more prominent projects.

Through years of development, IRCON has put in place well-tested systems and controls as below:

- **Robust contract management:** Once awarded a contract, IRCON actively tracks and manages the

deliverables and strives to ensure that there is no breach of the contractual terms and conditions. To improve customer satisfaction, IRCON also endeavours to provide timely response and solutions to our clients.

- **Efficient planning and project management:** Through our project teams, IRCON plans every step of the project and, over time, has developed strong project management and execution expertise and capabilities for both domestic and international projects. A combination of efficient and systematic project management and execution skills through our procurement, resource deployment, operation and maintenance of construction equipment, and other resources for multiple project sites, has helped IRCON to establish a good track record and reputation for timely completion. IRCON believes that the achievement in these types of infrastructure projects enhances its reputation as a domain player in the Indian infrastructure segment, and enables it to secure a fair share of large-size contracts, both domestically and internationally.
- **Use of innovations in designs and advanced technology:** IRCON has been proactive in using modern construction techniques, technology and equipment comparable to the market standard. In executing its projects, IRCON attempts to achieve high efficiency and on-time performance, often by cooperating with leading consultants and manufacturers to innovate and to develop more advanced and efficient methods and techniques.

IRCON has developed some of the best processes and methodologies in the industry to provide economic solutions and quality output while meeting tight schedules on the most challenging projects. With the Company's diversification into various infrastructure projects, it is now an established player in the field of railway and highway construction. IRCON caters to its customer's needs in many other areas such as construction of commercial and residential complexes, power transmission and distribution, industrial sheds, bridge / fly-overs, tunnels, development of commercial, residential and retail properties, electrical and mechanical work, signaling / telecom, coach factory, station buildings and multi-functional complexes. With its expertise and professional approach to project execution, IRCON has not only widened its horizons of work thereby reducing dependence on any one sector or type of project, but also propelled itself to traverse the physical boundaries of the country.

The broad geographical coverage has helped the company to diversify to DBFOT/EPC/HAM/Annuity and other type of contracts as well as project development and operations through JVs / SPVs. During the year, IRCON has secured project for Eight lane Vadodara – Kim Expressway (Package-II) on HAM basis from National Highways Authority of India (NHAI), in the State of Gujarat for which project specific SPV (Ircan Vadodara Kim Expressway Limited -IrcanVKEL) was formed. The Engineering, Procurement and Construction (EPC) contract for the said project is being executed by IRCON. In addition to IrcanVKEL, the Company also has three project specific SPVs (formed as wholly-owned subsidiaries) for implementation of highway projects in the State of Rajasthan, Madhya Pradesh, and Karnataka. Additionally, the SPV projects for the construction of Railway corridors

for transportation of coal and mineral in the States of Chhattisgarh, Odisha & Jharkhand have been secured during year post approval of their Detail Project Reports and inflated mileage by the Railways.

The strength of IRCON is mainly in its large pool of trained and experienced manpower which can be supplemented by employees on short term / deputation basis. The Company has an integrated team of Railways and Highways, Design and Execution Engineers and Business Development managers to work on opportunities of large high value projects being bid out on EPC, DBFOT and HAM basis. With the existing manpower resources, IRCON can undertake additional work of approx. Rs.20000 Crore and there is no need to further increase the manpower.

Over the years, the Company has ventured into other geographies including countries like Afghanistan, Algeria, Bangladesh, Bhutan, Iran, Iraq, Malaysia, Myanmar, Nepal, and South Africa. Presently, the Company has operations in Algeria, Bangladesh, Nepal, South Africa, and Sri Lanka.

## 8. OPPORTUNITIES

A number of macro level and sectoral initiatives undertaken to improve economic growth coupled with revival of interest in the development of infrastructure sector in the last few years in India as well as abroad, particularly in Railway sector, has opened up several opportunities for securing more business. Continuous efforts to develop maximum number of other related and remunerative projects in States of Chhattisgarh, Odisha, and Jharkhand, shall continue to bring more business in the coming years

IRCON has experience in construction of Railways projects, highways and roads in accordance with the international standards, both in India and abroad. With the Government proposing to increase spending in this sector, IRCON is having opportunities in the areas of Metro Rail projects; Construction of National Highways in Indian states in areas such as connectivity of secondary cities, ports and various regions; Connecting habitations with rural roads through Pradhan Mantri Gram Sadak Yojana (PMGSY); Bharatmala Pariyogana for the highways sector; Commissioning of Broad Gauge lines; Stations Redevelopment programme which is envisaged to be done by leveraging commercial development of near the stations; etc. IRCON is also Planning to participate in bid for Zojila tunnel civil construction work in Kashmir for which the government has invited fresh bids.

A large number of high value projects are coming up in the Highway sector on EPC, DBFOT, HAM, and Annuity basis. IRCON has formed four wholly-owned subsidiaries as SPVs for execution of projects on BOT/DBFOT/HAM basis and holds strategic share in joint venture companies formed for coal connectivity projects in three states of India. With this experience, the Company is geared up to undertake turnkey projects under new project execution models including EPC/ HAM and Annuity in the Railways, Highways sector and other infrastructure projects. We see large opportunities in the projects of Indian Railways like implementation of Mumbai-Ahmedabad High Speed Rail Corridor with Japanese funding and other projects to be bid out on EPC and DBFOT basis.

On the international front, IRCON has proved to be extremely competitive in foreign projects in the past in Bangladesh and Sri Lanka and shall continue efforts to secure more projects in these countries. IRCON has

recently secured a contract valuing USD 91.27 Million for a Track Rehabilitation project between Omanthai to Maho in Sri Lanka. The commitment of Government of India for new lines of credit amounting to USD 10 billion for Africa and second lines of credit of USD 4.5 billion for Bangladesh, would provide opportunities for securing works in these countries. Opportunities also exists for undertaking turnkey Railway projects on Government to Government basis with Ministry of Transport, Malaysia.

In the next couple of years, with a vision to almost double its turnover, the Company intends to focus intensively on further diversifying into various other segments where its presence is either non-existent or insignificant. To achieve this goal, the Company shall 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.

Adoption of new technology and construction methodology will ensure competitive edge over the competitors and thus would ensure improvement of operational efficiency, establish credibility and result in enhancement of order value, customer satisfaction and in turn would have impact on the revenues of the company. The Company plans to train its manpower accordingly and take up some of the infrastructure projects which require new/ latest technology.

## 9. CONSTRAINTS

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

IRCON being a dominant player in the railway infrastructure segment and a significant player in Highways sector, has been able to secure a fair share of business for the Company in the past. However, entry of a large number of players in the railways and highways sector has made it difficult for the Company to compete in Item Rate Contracts. Further, with the Employer(s) diluting the qualification requirement, a sizeable number of contractors are diversifying in the Railway segment thereby increasing the competition for IRCON.

Most of the upcoming private organizations in the infrastructure sector are willing to take higher risk and work at low profits to increase their order book position and capture a wider share of the market, which poses fresh challenges for the Company.

The Company is operating in a highly competitive and price cutting environment of the construction industry where profit margin is diminishing due to increased market competition in the traditional areas of operation. With the changes in the Government policy as well as further disinvestment of shares by the Government to be offered to private parties (to comply with the statutory requirement of minimum public shareholding of 25%), there is likelihood of reduction of new work orders coming on nomination basis from Indian Railways and other government agencies. Hence, the Company has to prepare itself to expand its footprint in high technology and high value

projects like High Speed Railway projects and PPP investment projects. The Company also needs to revise its strategy taking into account its strength in terms of its large and trained manpower and financial resources and its weakness on account of being a government entity limiting its ability to take risk and work on lower margins, to secure projects in present competitive environment. In foreign countries, most of the projects are now being available on open tender basis, unlike in the past when the G to G negotiation was normal mode of award of work. This also contributes to less orders in foreign countries and that too with lesser margins.

## 10. STRATEGY

The Company strives 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.

The Company is diversifying its areas of operations both sectorally and geographically. It is focused towards strategic business development to sustain and improve its order book position by giving a thrust to its areas of core competence and international business. The Company is focusing on undertaking projects having high order value and further consolidating its core competence namely, Railways, Highways, Electric sub-stations, S&T, and Railway Electrification. The revenue generation streams of the company are widened with portfolio of BOT/DBFOT/EPC and coal connectively projects undertaken by its subsidiaries and joint venture companies.

Though IRCON already has presence in many states in India, it intends to further expand its operations domestically across India as part of its business growth model. It is felt that by further expanding its geographical coverage and expanding into new areas within the country, the Company would be able to take more projects proposed by the Government of India and further consolidate its position in the infrastructure sector.

Additionally, the Company plans to continue its strategy to diversify across industry segments and increase orders from foreign countries to capture better profit margins afforded by these projects as compared to domestic projects. Also, while it continues to focus its efforts in the railways sector, through portfolio diversification, it hopes to hedge against risks in specific areas or projects, and protect itself from market variations resulting from business concentration in particular industry sectors and/or limited geographical areas. With increasing experience and success, the company expects to see a steady growth in its business with a rate of expansion comparable to or better than the best in the construction industry.

As a strategy, apart from revising the IRCON's strategy for securing contracts in the infrastructure sector based on the experience managing large-scale project work of PMC (Project Management Consultancy) could be one of the sector where IRCON can leverage its potential. IRCON in past and present has been executing real estate and building projects and thus has requisite experience which can be scaled up over a period of time to act as another business sector. In this respect, as per requirement, strategic tie-ups with Indian and International companies can be taken up to explore the Indian market for the various works of PMC.

The Government interest in infrastructure, particularly in

the railway sector, has opened up opportunities for the Company to secure more business. The Company is leveraging its established project executing track record and diversifying its infrastructure work expertise into transportation engineering, civil and industrial construction, and other infrastructure projects. With the focused project execution focusing on performance quality and continuing development, the Company is likely to have new business opportunities in the coming years. IRCON intends to enter into Joint Venture with reputed private players in specialized areas of work. This will enable synergizing the expertise and supplement the strengths of the JV partners.

IRCON intends to focus on undertaking large value projects where the Company has the required expertise and experience and can be competitive. Projects having high order value typically have a smaller percentage of overhead cost as a percentage of total cost and therefore provide a greater potential for profit. In addition, projects having high order value are also, in the current market, subject to less competition. In addition, IRCON may be required to execute large-value projects through joint ventures, which expose us to the risk of default by our joint venture partners.

## 11. RISKS AND CONCERNS

### A. Project Risk Management:

The Company has an elaborate Enterprise Risk Management (ERM) framework in place. As a part of implementation of the ERM framework and in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, IRCON has in place a Board Level Risk Management Committee (RMC) which reports to the Board / Audit Committee about the risk elements, their mitigation plans, etc. The RMC has been entrusted with the responsibility to identify and review the risks and formulate action plans and strategies for risk mitigation. The main function of RMC is to monitor various risks and to examine the adequacy of risk management policy and practices adopted by the company and also to initiate action for mitigation of risks arising in operations and other key functional areas of the Company.

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

In India, a major concern in execution of projects is 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. The revenues generated from the projects are difficult to predict and are subject to variations driven by various factors.

### B. Treasury Risk Management:

IRCON was assigned a 'CARE AAA' rating by Credit Analysis & Research Limited (CARE) for long-term non-fund based credit facilities and an 'A1+' rating for short-term non-fund based credit facilities in 2008-09 based on BASEL II norms of the Reserve Bank of India. These rating have been re-affirmed in an annual surveillance review by CARE in January 2019.



IRCON conducts its business in various countries and, therefore, has to deal in foreign currencies. Execution of projects abroad necessitates investing some funds in foreign banks in order to take care of any exigency arising on account of temporary cash flow mismatch. However, dealing in foreign currencies involves foreign exchange risk and the exchange rate may change unfavorably before the currency is exchanged. In order to minimize or eliminate foreign exchange risk, these exchange rate fluctuations are monitored constantly and surplus funds are converted / repatriated to India at the appropriate time, and in accordance with the laws. Efforts are made to provide a natural hedge by matching foreign currency inflows and outflows from various foreign projects. Investment guidelines for foreign projects have been formulated to ensure placement of funds with foreign banks in a fair and transparent manner.

## 12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A properly designed and consistently enforced system of operational and financial internal control helps a company's Board of Directors and management to safeguard the Company's 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 adequate internal control mechanism and an Internal Audit System commensurate with its size and nature of business.

The Company has in place adequate internal 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 and conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors and ensuring reliability of financial and operational information. The internal control system (including Internal Financial Controls over Financial Reporting) are reviewed on an ongoing basis and necessary changes are carried out to align with the changing business requirements.

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

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

The Company has an internal audit system that requires the Internal Auditors to comment on the existence of

adequate internal control systems and compliance therewith in addition to the opinion on existence of proper risk assessment and mitigation mechanism. The Internal Auditors are experienced Chartered Accountant firms which are selected through a transparent selection process, and upon appointment directly report to the Management. This ensures Internal Auditors' independence. Reports of the Internal Auditors are reviewed, compliances are ensured, and synopses of Audit Reports along with compliance are put up by Internal Audit Department for consideration of the Audit Committee.

The Company has in place SAP ECC 6.0 based Finance-Controlling module. No changes are allowed in SAP after the entries are made therein. Enhancement of SAP ERP FI-CO module has been done for improved transparency and financial control and maintaining books of accounts fixed assets, MIS, P&L for all projects. During the year online 'View PF Statement', 'View Payslip' and 'View Attendance' system have been developed and launched.

The internal control and audit system are being reviewed periodically by the Management as well as by the Audit Committee, followed up by corrective action, whenever necessary as a part of continuous improvement. A report by a professional agency is in place for further strengthening the Internal Financial Control in IRCON. Most of the recommendations of the report have been implemented and rest are being implemented for strengthening the Internal Financial Control. A structured Fraud Prevention, Detection, and Control Policy (FPDC Policy) along with a Whistle Blower Policy duly approved by the Board of Directors is in place with facility to make e-complaints in confidence.

## 13. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Human resource development efforts of IRCON are aligned with industry best practices. We understand that a positive workplace is, and will always remain, the foundation on which a company can realize its goals and achieve competitive advantage.

IRCON is an equal opportunity employer, embracing diversity in race, religion, marital status, gender, age, ethnic origin, and physical ability; and providing its diverse workforce with a stimulating environment to aid both their personal and professional development.

The Company aims to achieve the right size and right mix of human resource/ employees for the organization. Since IRCON is a project based company, there are fluctuations in the manpower requirements which are being taken care by recruiting employees on deputation, contract, and service contract. Recruitment strategies have been re-engineered to tune them with the overall strategy of the Company to keep cost of supervision and establishment at optimum level. The Company offers post superannuation benefits of Contributory Provident Fund, Gratuity, and Post retirement indoor medical benefits through a Medical Trust to all its employees.

The total manpower strength as on 31st March 2019 was 1576 employees. The attrition rate during 2018-19 was 6.09%, with 96 employees leaving the organization.

IRCON is moving towards a competency based framework with the aim of building competency pool for 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 customized training programs are conducted.

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.

During the year, as a part of employee development, total 4046 man-days trainings was imparted to the employees, which included programs like Special Refresher Course at Indian Railways Institute of Signal Engineering and Telecommunication (IRISET), Indian Railways Institute of Signal Engineering and Telecommunication (Pune), and Training on Project Management. The Company has envisioned an ambitious growth plan for Human Resources for the next few years, and training programs are specially designed for 3-5 days for Senior Management from best Management institute of India.

During the year, IRCON engaged M/s QAI India Limited for assessment of level of People Capability Maturity Model (PCMM) in our organization. The Board of Directors of the Company has decided for upgradation of People Capability Maturity Model (PCMM) Level 3 by the year 2020 for which engagement of transition partner is in process.

The succession planning policy of the Company provides an integrated and systematic approach for identifying, developing and retaining employees in line with current and projected business objective. Under succession planning policy of the Company, 29 employees of the level E7 to E9 were considered as succession pool of likely leaders to take up critical roles in future. To groom this pool of potential leaders, special training for leadership and management development at IIM Ahmedabad was provided during the year.

#### Cautionary Statement

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

For and on behalf of the Board of Directors

Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director  
(DIN: 00515672)

Date: 22<sup>nd</sup> July 2019

Place: New Delhi

## CORPORATE GOVERNANCE REPORT

Appendix-E

IRCON is a 'Mini-Ratna-Category-1' Company and has established a sound framework of Corporate Governance. We believe that Corporate Governance is about maintaining valuable relationship and trust with all Stakeholders with the commitment to maximize value of its stakeholders be it a shareholder, employees, suppliers, customers, investors community or policymakers. Its commitment to follow the good Corporate Governance practices is based upon transparency, fairness, conscience, team work, professionalism and accountability paving the way for following the best standards and building confidence among all the stakeholders which is necessary to achieve its objectives.

The Company got listed on 28th September 2018 and is adhering to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; it is also following the provisions of the Companies Act, 2013 and Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. The particulars of Company's report on Corporate Governance are as under:

### 1. **Company's Philosophy on Corporate Governance & Key Values**

The Corporate Governance in IRCON is based upon transparency, full disclosure, independent monitoring & fairness to all. The Company conducts its activities in an ethical and responsible manner towards sustainable value creation for stakeholders within the prevalent regulatory framework. It has always believed in creating a framework of best policies, practices, structures and ethics in the organization. IRCON Team subscribes to the corporate values and imbibes them in their conduct regularly.

IRCON believes in promoting the principles of sound Corporate Governance and its essential character is shaped by high standard of transparency, trust and integrity, performance orientation, responsibility, accountability, professionalism, social responsiveness and ethical business practices. Corporate Governance has indeed been an integral part of the way we have done business for several years. This emanates from our strong belief that sound governance is integral for creating value on a sustainable basis.

The **Code of Corporate Governance** of the Company is "To Be Professional, Profitable, Transparent, and Accountable

with excellence in every sphere of activity of the Company."

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

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

### 2. **Board of Directors**

The Board of Directors is the highest governance body of IRCON. The Board of Directors consists of professionals drawn from diverse fields having rich knowledge and experience in the industry and related sectors for providing strategic guidance and directions to the Company.

Pursuant to Section 2(45) of the Companies Act, 2013, IRCON is a 'Government Company' as 89.18% of the paid-up share capital of the Company is held by the Central Government through the President of India and the power to appoint Directors vests with the President of India through Administrative Ministry (i.e. Ministry of Railways).

As on 31st March 2019, the Company has eleven Directors which comprised of four whole-time directors [Chairman & Managing Director, Director (Finance), Director (Projects) and Director (Works)], two Government Nominee Directors, and five Independent Directors including one-Woman Director.

The Chairman is an Executive Director; therefore, half of the Board should comprise of Independent Directors. As the power to appoint the Directors on the Board of IRCON vests with the President of India, the Company has been, from time to time, requesting Ministry of Railways to appoint requisite number of independent Directors on the Board.

However, there is a vacancy in the post of one Independent Director w.e.f. 28th December 2018 for which request for appointment has already been made to the Ministry of Railways, Government of India. Further, after 31st March 2019, subsequent to cessation of two Independent Directors on completion of their tenure of 3 years, there are additional vacancies in the post of two Independent Directors (including women Director). Hence, as on the date of this report, post of 3 independent directors are vacant.

#### 2.1 Attendance of each Director at the Board Meetings held during 2018-19 and the last AGM

Name and Designation of the Director	No. of Board Meetings		Attendance at last Annual General Meeting (held on 14.09.2018)
	Held during their respective tenure	Attended	
<b>Whole-time, Functional Directors (Executive)</b>			
Shri S.K. Chaudhary Chairman & Managing Director	8	8	Yes
Shri Deepak Sabhlok Director (Projects)	8	8	Yes

Name and Designation of the Director	No. of Board Meetings		Attendance at last Annual General Meeting (held on 14.09.2018)
	Held during their respective tenure	Attended	
Shri M. K. Singh Director (Finance)	8	8	No
Shri Yogesh Kumar Misra Director (Works) w.e.f 28.12.2018	2	2	*
<b>Government Nominee Directors (Part-time Official) (Non- Executive)</b>			
Shri Rajiv Chaudhry (upto 20.09.2018)	4	4#	Yes
Shri S.C. Jain (w.e.f. 24.10.2018)	4	1	*
Shri Ved Pal (upto 30.09.2018)	4	3	No
Shri Piyush Agarwal (w.e.f. 17.12.2018)	2	1	*
<b>Independent Directors (Part-time non-official) (Non- Executive)</b>			
Shri S. K. Singh (upto 02.07.2018)	1	1	*
Shri Avineesh Matta\$ (upto 31.03.2019)	8	8	Yes
Prof. Vasudha V. Kamat\$ (upto 31.03.2019)	8	7	Yes
Dr. C. B. Venkataramana	8	7	Yes
Dr. Narinder Singh Raina	8	1	No
Shri A. K. Ganju	8	8	Yes

\* The respective person was not a Director of IRCON as on the date of last AGM.

\$ Shri Avineesh Matta and Prof. Vasudha Vasant Kamat ceased to be Independent Directors of IRCON w.e.f. 31.03.2019 on completion of their tenure.

# The 244th Meeting of the Board of Directors held on 02.08.2018 (and continued on 03.08.2018), has been counted as one meeting. Shri Rajiv Chaudhry was present for the meeting held on 02.08.2018 and was granted leave of absence for 03.08.2018. His presence has been counted for the 244th meeting of the Board of Directors.

## 2.2 Details of Directorships, Committee Memberships and Committee Chairmanship in other companies as on 31st March 2019.

Name and Designation of the Director	Details of Directorships held in other Companies	Details of Committee Memberships and Committee Chairmanship in other Companies*
<b>Whole-time, Functional (Executive Directors)</b>		
Shri S.K. Chaudhary Chairman & Managing Director	NIL	NIL
Shri Deepak Sabhlok Director (Projects)	1. Ircon PB Tollway Limited 2. Ircon Shivpuri Guna Tollway Limited 3. Ircon Vadodara Kim Expressway Limited 4. Chhattisgarh East Railway Limited 5. Chhattisgarh East-West Railway Limited 6. Mahanadi Coal Railway Limited 7. Ircon Davanagere Haveri Highway Limited 8. Bastar Railway Private Limited 9. Ircon Soma Tollway Private Limited	NIL
Shri M. K. Singh Director (Finance)	1. Ircon Infrastructure & Services Limited 2. Indian Railway Stations Development Corporation Limited	<b>Audit Committee:</b> Indian Railway Stations Development Corporation Limited

Name and Designation of the Director	Details of Directorships held in other Companies	Details of Committee Memberships and Committee Chairmanship in other Companies*
	3. Jharkhand Central Railway Limited	- Member
Shri Yogesh Kumar Misra Director (Works) (w.e.f. 28.12.2018)	1. Jharkhand Central Railway Limited	NIL
<b>Government Nominee Directors (Non- Executive)</b>		
Shri S. C. Jain (w.e.f. 24.10.2018 upto 08.05.2019)	1. Pipavav Railway Corporation Limited 2. Rail Vikas Nigam Limited 3. Kutch Railway Company Limited	NIL
Shri Piyush Agarwal (w.e.f. 17.12.2018)	1. Mumbai Rail Vikas Corporation Limited	<b>Audit Committee:</b> Mumbai Rail Vikas Corporation Limited - Member
<b>Independent Directors (Non- Executive)</b>		
Shri Avineesh Matta	1. Explico Consulting Private Limited 2. InQuant Consulting Private Limited	NIL
Prof. Vasudha V. Kamat	NIL	NIL
Dr. C. B. Venkataramana	NIL	NIL
Dr. Narinder Singh Raina	NIL	NIL
Shri A. K. Ganju	NIL	NIL

\* Only Chairmanship/ Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered. No Director of the Company is a member in more than ten (10) Committees or acts as Chairperson of more than five (5) Committees across all companies in which he/ she is a Director.

- None of the Directors on the Board hold directorships at the same time in more than 20 Companies.
- None of the Directors hold directorship in a listed entity.
- No relationship exists between directors inter-se. Two nominee directors (part-time official) who are officials from the Ministry of Railways, and thus related to the promoter, though no personal relationship exists between them.
- No Non-Executive Director hold any share of the Company; two Executive Directors viz. Shri Mukesh Kumar Singh, Director (Finance) and Shri Yogesh Kumar Misra, Director (Works) hold 170 equity shares and 1,110 equity shares respectively as on 31st March, 2019.

### 2.3 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 meeting of Audit Committee and other committees of the Board.
- c) Minutes of the Board meetings of the Subsidiaries of the Company.
- d) Capital and Revenue Budgets and any updates.
- e) Particulars of Related Party Transactions.
- f) Writing off of Bad- Debts
- g) Sale of material nature of investments, subsidiaries, assets.
- h) Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- i) Change 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 taken 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.

### 2.4 No. of Board Meetings held, dates on which held:

The Board of Directors met 8 times during the financial year 2018-19 on:

27th April 2018, 2nd August 2018 (continued on 3rd August 2018), 31st August 2018, 20th September 2018, 26th October 2018, 13th November 2018, 16th January 2019, 7th February 2019.

### 2.5 Familiarization 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; Board approved policies; DPE Guidelines on Corporate Governance and CSR & Sustainability; Terms of reference of all Committees of Board; Provisions on duties, responsibilities, disqualification, etc. of Directors under SEBI (LODR) Regulations, 2015, DPE Guidelines and the Companies Act, 2013 etc.

The Company familiarizes the Independent Directors with the activities and functioning of the Company and their roles, rights and responsibilities in the Company, nature of the industry in which the company operates, business model of the Company etc. through various programmes and presentations. The details of such familiarization programmes are disclosed on the company's website

'www.ircon.org' at weblink: <https://www.ircon.org/images/Details%20of%20Familiarisation%20Programme%20to%20Ircon's%20Directors.pdf>

## 2.6 Skills/ Expertise/ Competence of the Board of Directors are as follows:

IRCON is an engineering & construction company and the key qualifications required by the Board are in the field of Civil Engineering, Finance, Technology, Marketing, Global Business etc. Being a Government Company, the appointment of all the directors (Whole-Time/Government Nominee/ Independent Directors) is done by the President of India through Ministry of Railways. A table summarizing the key qualifications, skills, expertise and attributes of the Directors of IRCON, as approved by the Board of Directors, subject to approval by Ministry of Railways is given below:

S.N.	Type of the Director	Required Expertise / Skill
1.	Whole-Time Directors	
	i) Chairman & Managing Director	<p><u>Mandatory:</u> At least a graduate from a recognized university with good academic record and adequate experience at a senior level of management in a large organization of repute.</p> <p><u>Desirable:</u> Degree in Civil Engineering / Technical / MBA qualification and familiarity with Finance / Marketing / Projects. Experience of infrastructure projects, especially railway projects, techniques of organizational planning and manpower development in railways industry.</p>
	ii) Director (Projects)	<p><u>Mandatory:</u> A Graduate in Civil Engineering with good academic record from a recognized University / Institution. Adequate technical / operational / project management experience in the Railway Sector.</p> <p><u>Desirable:</u> Preferably holding MBA / Technical qualifications.</p>
	iii) Director (Works)	<p><u>Mandatory:</u> A Graduate in Civil Engineering with good academic record from a recognized University / Institution. Adequate technical / operational / project management experience in the Infrastructure Projects including Roads/ Highways.</p> <p><u>Desirable:</u> Preferably holding MBA / Technical qualifications.</p>
	iv) Director (Finance)	<p><u>Mandatory:</u></p> <p>(i) Chartered Accountant or Cost Accountant or a full time MBA/PGDM (with specialization in Finance) course with good academic record from a recognized University/Institution with adequate experience at a senior level in an organization of repute.</p> <p>(ii) Officers of Organized Group 'A' Accounts Services level working in appropriate level are exempted from minimum qualification as per (i).</p> <p>(iii) Officers of Central Government/ Armed Forces of the Union/ All India Services with adequate and relevant experience are exempted from the minimum qualification as per above (i).</p> <p>Adequate experience at a senior level in Corporate Financial Management and Accounts including cost, budgetary control, institutional finance, working capital management etc.</p>
2.	Government Nominee (Part-time Official) Directors (2 Directors)	As may be decided by the Government of India (Ministry of Railways)
3.	Independent Directors (Part-time non-official) Directors (6 Directors)	As may be decided by the Government of India (Ministry of Railways)

## 2.7 Board Independence

All the Independent Directors have given the declaration that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.

## 2.8 Brief Resume of three new Directors who joined the Company during 2018-19:

- a) Shri Sukhmal Chand Jain [DIN 07564584], aged 52 years, is a Government Nominee [Part-Time (Official) Director] on the Board of the Company. Shri Jain's qualifications are B. Tech (Civil) and M. Tech. He belongs to Indian Railway Service Engineers (IRSE) officer of 1988 batch and has over 28 years of rich and varied experience in Railways. His earlier assignments included Sr. DEN/Lucknow, Sr. DEN/ Moradabad, Director/B&S RDSO, and Chief Engineer/C/Spl NR. His present assignment as Executive Director/Works, Railway Board, entails handling of issues related to New Lines, Gauge Conversion and Doubling Projects. He is also the representative of Ministry of Railways on the Board of three other PSUs namely Pipavav Railway Corporation Limited, Rail Vikas Nigam Limited and Kutch Railway Company Limited.
- b) Shri Piyush Agarwal [DIN 08305385], aged 59 years, is a Government Nominee [Part-Time (Official) Director] on the Board of the Company. Shri Agarwal's qualifications are B. Tech. (Civil) and M. Tech (Civil) from University of Roorkee (Now IIT, Roorkee). He belongs to Indian Railway Service Engineers (IRSE) officer of 1981 batch and has over 35 years of rich and varied experience in Railways. His earlier assignments included Divisional Railway Manager/Palghat, Senior Deputy General Manager/WR, Chief Administrative Officer (Construction)/NCR and Principal Executive Director/Bridge Railway Board. His present assignment as Additional Member/Planning, Railway Board, entails planning and budgeting of Railway Infrastructure projects including prioritization of investment and execution of the same. He is also the representative of Ministry of Railways on the Board of Directors of PSU namely Mumbai Railway Vikas Corporation Ltd. (MRVC). He is also the nodal officer for monitoring and execution of all Safety works under Rashtriya Rail Suraksha Kosh, a fund created by Central Government with a corpus of Rs. 1,00,000 crores dedicated for safety works on Indian Railways.
- c) Shri Yogesh Kumar Misra [DIN 07654014], aged 54 years, has been appointed on the Board of IRCON as Director (Works). Shri Misra's qualifications are B. Tech., Civil Engineering from Indian Institute of Technology (IIT), Delhi. He belongs to Indian Railway Service of Engineers (IRSE) officer of 1987 batch and has over 29 years of rich and varied experience in Railways. He joined IRCON in 2006 as Addl. General Manager, Marketing and before appointment as Director (Works), he was Executive Director (Works). 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.

## 3. AUDIT COMMITTEE

The composition, terms of reference, quorum, scope etc. of

Audit Committee are in line with the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and DPE Corporate Governance Guidelines.

### i) Terms of Reference:

The terms of reference of the Board Level 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 major terms 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:
  - (a) 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;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) Qualifications / modified opinion(s) in the draft audit report;
  - (h) 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, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, to review 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 audit process;
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
10. Discussion with 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 internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors of any significant findings and follow-up there on;
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 a 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 utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs.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; and
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 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.

**ii. Composition:**

The Committee has been reconstituted as and when there has been a change in directors. During the year, the Committee was reconstituted on 2nd August 2018, 26th October 2018 and 7th February 2019.

On 31st March 2019, the Audit Committee comprised of the following directors:

Dr. C. B. Venkataramana, Independent Director	-	Chairman
Shri Ashok Kumar Ganju, Independent Director	-	Member
Shri Yogesh Kumar Misra, Director (Works)	-	Member

Ms. Ritu Arora, Company Secretary, is the Secretary to this Committee. Director (Finance) is an invitee to this Committee.

**iii. Meetings and Attendance:**

The Audit Committee met 6 times during the financial year 2018-19 on 27th April 2018, 2nd August 2018, 20th September 2018, 13th November 2018, 15th January 2019, and 7th February 2019. The attendance details of said meetings are:

Name of the Director	Position	No. of Meetings	
		Held during their tenures	Attended
Shri Avineesh Matta	Chairperson (upto 01.08.2018)	1	1
Shri S. K. Singh	Member (upto 02.07 2018)	1	1
Prof. Vasudha V. Kamat	Member (upto 01.08.2018)	1	1
Dr. C. B. Venkataramana	Chairperson (w.e.f. 02.08.2018)	5	5
	Member (upto 01.08.2018)	1	1
Shri Ved Pal	Member (upto 30.09.2018)	3	3
Shri N. S. Raina	Member (from 22.10.2018 to 26.10.2018)	Nil	Nil
Shri S.C. Jain (w.e.f. 24.10.2018)	Member (upto 07.02.2019)	3	Nil
Shri A. K. Ganju	Member (w.e.f. 02.08.2018)	5	5
Shri Yogesh Kumar Misra	Member (w.e.f. 07.02.2019)	Nil	Nil



#### 4. NOMINATION AND REMUNERATION COMMITTEE

The composition, terms of reference, quorum, scope etc. of Nomination & Remuneration Committee (NRC) are in line with the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and DPE Corporate Governance Guidelines.

##### i. Terms of Reference:

The terms of reference of the Nomination & Remuneration Committee (NRC) include the areas specified by SEBI (LODR) Regulations, 2015, Section 178 of the Companies Act, 2013, DPE Guidelines on Corporate Governance and as amended from time to time [except for the matters related with the Directors as the same have been exempted for the government companies under the Companies Act as well as by SEBI vide its letter dated 2nd April 2018 to IRCON]. In brief, the scope/ terms of reference of the Nomination and Remuneration Committee are:

- To decide and approve the annual bonus / variable pay pool / performance related pay and policy for its distribution across executives and non-unionized supervisors within the limits prescribed in the DPE Guidelines;
- To review the policies for 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 Companies Act, or DPE Guidelines, or SEBI (LODR) Regulations, 2015.

*Explanation: "Senior Management" shall mean officers / personnel of the Company who are members of its core management team excluding Board of Directors and shall include all members one level below the Chief Executive Officer / Managing Director / Whole time director / Manager (including CEO / Manager, in case they are not part of the board) and specifically includes Company Secretary and Chief Financial Officer (CFO) (below the Board level) and the functional heads.*

##### ii. Composition:

This Committee has been reconstituted as and when there has been a change in directors. During the year, the Committee was reconstituted on 2nd August 2018 and 26th October 2018. On 31st March 2019, the Nomination and Remuneration Committee comprised of the following directors:

Shri A. K. Ganju, Independent Director –	Chairman
Dr. Narinder Singh Raina, Independent Director -	Member
Dr. C. B. Venkataramana, Independent Director –	Member

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

##### iii. Meetings and Attendance

The Nomination and Remuneration Committee met 5 times during 2018-19 on 27th April 2018, 2nd August 2018, 12th November 2018, 15th January 2019 and 6th February 2019. The attendance details of said meetings are:

Name of the Director	Position	No. of Meetings	
		Held during their tenures	Attended
Shri S.K. Singh	Chairperson (upto 02.07.2018)	1	1
Prof. Vasudha V. Kamat	Member (upto 01.08.2018)	1	1
Shri Ved Pal	Member (upto 30.09.2018)	2	2
Dr. C. B. Venkataramana	Member	5	5
Shri A. K. Ganju	Member (upto 01.08.2018)	1	1
	Chairperson (w.e.f 02.08.2018)	4	4
Dr. Narinder Singh Raina	Member (w.e.f. 22.10.2018)	3	1

##### iv) Performance Evaluation of Board Members:

As per Section 134(3)(p) of the Companies Act 2013, the Board's Report of a Listed Company shall include a statement indicating the manner of formal annual evaluation of Board, individual Directors etc. Ministry of Corporate Affairs has, vide its notification dated 5th June 2015, notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding statement on formal annual evaluation 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 own evaluation methodology. Further, in line with above exemptions, sub-sections (2), (3) & (4) of Sec. 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

The performance evaluation of functional directors as well as the Company is done through system of Annual Performance Appraisal Report (APAR) by Ministry of Railways and Memorandum of Understanding entered with Ministry of Railways respectively, and the said evaluation is submitted to Department of Public Enterprises through the Administrative Ministry. The tenure of Functional Directors as spelt out in their terms and conditions of appointment is five years or the date of their superannuation, whichever is earlier

In respect of Government Nominee Directors, their evaluation is done by the Ministry of Railways as per the procedure laid down. In case of Independent Directors, their appointment and tenure (normally a period of three years) is decided by the Government of India.

##### 5. REMUNERATION OF DIRECTORS:

- Being a government company, the whole-time directors are appointed by the President of India through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the

Government and as per the terms and conditions of their appointment issued by the Government.

The part-time official directors nominated on the Board do not draw any remuneration from the Company for their role as director but draw their remuneration under Central Dearness Allowance (CDA) pay scales from the Government of India as government officials.

During the year 2018-19, upto 24.10.2018, the Independent Directors were paid a sitting fee of Rs.12,000/- for BoD and its Committee Meetings and w.e.f 25.10.2018, with the approval of Ministry of Railways, the Independent Directors are being paid Rs.30,000 for attending Board meeting and Rs.20,000/- for attending Board Committee Meetings.

ii. Details of remuneration of Whole-time Directors during 2018-19 are given below:

(in Rs.)								
Sl. No.	Name of the Directors	Salary & Allowances	Other Benefits & Perks	Performance e-Linked Incentive	Retirement Benefits	Bonus/ Commission/ Ex-gratia	Stock Option during the year	Total
1	Sh.S.K. Chaudhary	3,787,824	669,575	631,542	583,259	-	-	5,672,200
2	Sh.Deepak Sabhlok	4,085,504	860,187	854,280	921,366	-	-	6,721,337
3	Sh.M. K. Singh	3,637,841	656,405	727,286	833,093	-	-	5,854,625
4	Sh.Yogesh Kumar Misra (w.e.f. 28.12.2018)	920,688	140,027	-	143,718	-	-	1,204,433

iii. Details of payments made to Independent Directors [Part-time Non-official] Directors during 2018-19:

(in Rs.)				
Sl. No.	Name of the Independent Directors / Part-time (Non-official) Directors	Sitting Fee		Total
		Board Meetings	Committee Meetings	
1.	Shri Sanjay Kumar Singh (upto 02.07.2018)	12,000	24,000	36,000
2.	Shri Avineesh Matta	168,000	156,000	324,000
3.	Prof. Vasudha Vasant Kamat	156,000	56,000	212,000
4.	Dr. C. B. Venkataramana	156,000	200,000	356,000
5.	Dr. Narinder Singh Raina	30,000	40,000	70,000
6.	Shri Ashok Kumar Ganju	156,000	240,000	396,000

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

### i. 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:

- (i) To look into the various aspect of interest of shareholders, debenture holders and other security holders;
- (ii) To consider and resolve grievances of the security holders of the Company, including complaints in relation to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates and general meetings etc.;
- (iii) Review of measures taken for effective exercise of voting rights by shareholders;
- (iv) Review of adherence to the service standards adopted in respect of various services being rendered by Registrar & Share Transfer Agent;
- (v) 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;

- (vi) 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.

### ii. Composition:

The Stakeholders Relationship Committee was constituted on March 21, 2018. On 31st March 2019, the Stakeholders Relationship Committee comprised of the following directors:

Dr. C. B. Venkataramana, Independent Director	-	Chairperson
Shri S. C. Jain, Part-time (Official) Director	-	Member
Shri M. K. Singh, Director Finance	-	Member

During the year, no meeting of Stakeholders Relationship Committee was held.

The Committee was reconstituted on 15th May 2019. As on the date of this report, the Committee comprises of the following members:

Dr. C. B. Venkataramana, Independent Director	-	Chairperson
Shri Hari Mohan Gupta, Part-time (Official) Director	-	Member
Shri M. K. Singh, Director (Finance)	-	Member

### iii. 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.

### iv. Details of Shareholder's Complaints

The Company has attended to Investor's grievances expeditiously. During the financial year ending March 31, 2018, a total of 380 queries/ complaints from Shareholders were received out of which 364 were resolved at the year end and 16 complaints related to non-receipt of Dividend Warrants (for the quarter ended 31.03.2019), were resolved by the RTA in April, 2019.

## 7. CSR & SUSTAINABILITY COMMITTEE

The terms of reference, quorum and other matters in relation to the CSR & Sustainability Committee has been constituted as per the requirements specified under section 135 of the Companies Act, 2013 and the applicable rules thereunder, and DPE Guidelines on CSR and Sustainability, 2014.

### I. Terms of Reference

The terms of the Corporate Social Responsibility and Sustainability Committee, inter - alia, include -

- To oversee the implementation of the Corporate Social Responsibility and Sustainability Policy of the Company and to assist the Board to formulate suitable policies and strategies to take the Corporate Social Responsibility and Sustainability agenda of the Company forward in the desired direction.
- To appoint a Nodal officer, not less than a General Manager level official, and his team of officials, as though appropriate in terms of the Guidelines,
- To recommend the Corporate Social Responsibility activities, under the Board approved Corporate Social Responsibility and Sustainability Policy of the Company and as per Schedule VII of the Companies Act, 2013 and DPE Guidelines, and put up to the Board for approval / ratification; and
- To evolve modalities to not only promptly identify Corporate Social Responsibility activities but also to get the necessary clearances at appropriate level and the Board whenever required; for carrying on the identified activities, and to attain the objectives well in time in a streamlined manner.

### ii. Composition

The Committee has been reconstituted as and when there has been a change in directors. The CSR & Sustainability Committee comprised of the following directors on 31st

March 2019:

Shri Avineesh Matta, Independent Director	-	Chairperson
Shri S. C. Jain, Part-Time (Official) Director	-	Member
Dr. Narinder Singh Raina, Independent Director	-	Member
Shri Deepak Sabhlok, Director (Projects)	-	Member

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

The CSR & Sustainability Committee was re-constituted on 15th May 2019. As on date of this report, the Committee comprises of the following Directors:

Dr. Narinder Singh Raina, Independent Director	-	Chairperson
Shri Ashok Kumar Ganju, Independent Director	-	Member
Shri Hari Mohan Gupta, Part-Time (Official) Director	-	Member
Shri Deepak Sabhlok, Director (Projects)	-	Member

### iii. Meetings and Attendance

The Committee met 5 times during 2018-19 on 27th April 2018, 3rd August 2018, 12th November 2018, 16th January 2019 and 22nd March 2019. The attendance details of said meetings are:

Name of the Director	Position	No. of Meetings	
		Held during their respective tenures	Attended
Prof. Vasudha V. Kamat	Chairman (upto 01.08.2018)	1	1
Shri Rajiv Chaudhry	Member (upto 20.09.2018)	2	1
Shri Deepak Sabhlok	Member	5	5
Shri Avineesh Matta	Member (upto 01.08.2018)	1	1
	Chairperson (w.e.f 02.08.2018)	4	4
Dr. Narinder Singh Raina	Member	5	1
Shri S. C. Jain	Member (w.e.f 24.10.2018)	3	1

## 8. INDEPENDENT DIRECTORS COMMITTEE

In terms of provisions mentioned under SEBI (LODR) Regulations, 2015, Section 149 and Code of Independent Directors of the Companies Act, 2013, and DPE Guidelines. The terms of reference of the Independent Directors Committee are as per Schedule IV of the Companies Act,

2013 and DPE-OM dated 28th December 2012 (as amended vide DPE-OM dated 20th June 2013).

During 2018-19, one meeting of the Independent Directors ID Committee was held on 8th February 2019 which was attended by all the Independent Directors except Dr. N. S. Raina.

#### 9. PROJECT PROGRESS REVIEW COMMITTEE (PRC)

During 2018-19, the Board renamed its existing Project Review Committee as 'Project Progress Review Committee' and amended its terms of reference.

##### i. Terms of Reference:

The terms of reference of said 'Project Progress Review Committee' is to review the physical progress and allied activities strictly related to physical progress of the on-going projects (except PMC projects) of the Company and to address possible roadblocks in the smooth execution of projects.

##### ii. Composition:

On 31st March 2019, the Committee comprised of the following members:

Shri Avineesh Matta, Independent Director	–	Chairperson
Shri S. C. Jain, Part-Time (Official) Director	–	Member
Shri A. K. Ganju, Independent Director	–	Member
Shri Deepak Sabhlok, Director (Projects)	–	Member
Shri Yogesh Kumar Misra, Director (Works)	–	Member

The Committee is assisted by concerned Executive Director level officials associated with the whole-time Director.

The Committee was last reconstituted on 15th May 2019. As on date of this report, the Committee comprises of the following Directors:

Shri A. K. Ganju, Independent Director	–	Chairperson
Shri Hari Mohan Gupta, Part-Time (Official) Director	–	Member
Dr. C. B. Venkataramana, Independent Director	–	Member
Shri Deepak Sabhlok, Director (Projects)	–	Member
Shri Yogesh Kumar Misra, Director (Works)	–	Member

##### iii. Meetings and Attendance

The Committee met two times during 2018-19 on 25th October 2018 and 18th March 2019 (continued on 19th March 2019). The attendance details of said meetings are:

Name of the Director	Position	No. of Meetings	
		Held during their respective tenures	Attended
Shri Avineesh Matta	Chairman (w.e.f. 02.08.2018)	2	2
	Member (upto 01.08.2018)		
Shri S. C. Jain	Member (w.e.f. 26.10.2018)	1	1
Shri A. K. Ganju	Member	2	2
Shri Deepak Sabhlok	Member (w.e.f. 02.08.2018)	2	2
	Chairman (upto 01.08.2018)		
Shri Yogesh Kumar Misra	Member (w.e.f. 28.12.2018)	1	0

#### 10. RISK MANAGEMENT COMMITTEE

The Company has an elaborate Enterprise Risk Management (ERM) framework in place. The Risk Management Committee has been constituted in line with the requirements of erstwhile Listing Agreement [now SEBI (LODR) Regulations, 2015]. As per SEBI (LODR) Regulations 2015, requirement of Risk Management Committee is applicable with effect from 01.04.2019 on the Company; however, the Company is already having a Board level Risk Management Committee since 2012 comprising Director (Projects), Director (Finance) and Director (Works).

##### i. Terms of Reference:

The terms of reference of the Risk Management Committee is to identify, evaluate and minimize identifiable risks. It includes activities like assessing the risk appetite of the company in line with the overall business environment and company's objectives, identifying the potential risks and their impact assessment on the on-going and potential projects, development of response strategy to the assessed risks, dissemination of response strategy at the implementation level and its implementation, monitoring and feedback on the risk management effectiveness.

##### ii. Constitution:

The Company has a Risk Management Committee comprising of Whole-Time Directors, a Rapid Action Group at Executive Directors (below board) level/ Chief General Managers. On 31st March 2019, the Committee comprised of the following members:

Shri Mukesh Kumar Singh, Director (Finance)	–	Member
Shri Deepak Sabhlok, Director (Projects)	–	Member
Shri Yogesh Kumar Misra, Director (Works)	–	Member

The Committee is assisted by concerned Executive Directors (below board) level/ Chief General Managers.

##### ii. Meetings and Attendance

During 2018-19, one meeting of Risk Management Committee was held on 28th February 2019 which was attended by all the members.

## 11. GENERAL BODY MEETINGS

11.1 Date, Time and Location of the Last three years' Annual & Extra Ordinary General Body Meetings held:

Financial Year	Date of holding meeting	Time	Location/ Venue	Special Resolution Passed
2017-18 (42nd AGM)	14th September 2018	1600 hours	Railway Board, Rail Bhawan, New Delhi	1*
2017-18 (8th EGM)	21st December 2017	1330 hours	Railway Board, Rail Bhawan, New Delhi	1*
2017-18 (7th EGM)	22nd May 2017	1200 hours	3rd Floor, C-4, District Centre, Saket, New Delhi-110017	1*
2016-17 (41st AGM)	28th September 2017	1200 hours	Railway Board, Rail Bhawan, New Delhi	NIL
2015-16 (40th AGM)	28th September 2016	1700 hours	Railway Board, Rail Bhawan, New Delhi	NIL

11.2\*Details of Special resolutions passed in previous three AGMs

- A special resolution was passed in the 42nd AGM (for the year 2017-18) held on 14th September 2018, for amending the borrowing powers and providing security in connection with the borrowings under Section 180 (1) (c) of the Companies Act, 2013 and to provide security in connection with the borrowings.
- Special resolution was passed in the 8th Extra-Ordinary General Meeting (EGM) held on 21st December 2017 for amendment in Memorandum and Articles of Association of the Company as per the Companies Act, 2013 & SEBI (LODR) Regulations, 2015.
- Two special resolutions were passed in the 7th Extra-Ordinary General Meeting (EGM) held on 22nd May 2017 to increase the authorized share capital of the Company from Rs.100 crores to Rs.400 crores.

### 11.3 Postal Ballot

No special resolution was passed through postal ballot in the previous year. No such resolution is proposed to be conducted through postal ballot.

## 12. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through its Website. Information, latest updates and announcements regarding the Company can be accessed at 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 to the analysts.
- E - mail 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 the year 2018-19, Quarterly Results have been published as follows:

Quarter	Newspaper (s)
Q2 and half year ended 30.09.2018	Financial Express (English), Dainik Jagran (Hindi), Jansatta (Hindi),
Q3 and nine months ended 31.12.2018	Financial Express (English), Mint (English), Hindustan Times (English) and Hindustan (Hindi).
Q4 and the year ended 31.03.2019	Financial Express (English), Jansatta (Hindi)

## 13. GENERAL SHAREHOLDER INFORMATION:

### a) Annual General Meeting of the Current Year

Day & Date : Tuesday, 3rd September 2019  
Time : 10:00 A.M.  
Venue : Air Force Auditorium, Subroto Park, New Delhi- 110010

### b) Financial Year

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

### c) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 28th August 2019 to Tuesday, 3rd September 2019 (both days inclusive).

### d) Payment of Dividend

The Board of Directors of the Company has recommended a final dividend of Rs.101.81 crores [Rs.10.825 per share on the paid-up share capital] for the financial year ended 31st March 2019 over and above the Interim Dividend of Rs.10.72/- per share (107.2%) which was paid in February, 2019.

The final dividend on equity shares, will be paid on Wednesday, 18th September 2019 to those Members whose names appear on the Register of Members of the Company in respect of physical shares and in respect of dematerialized 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 27th August 2019.

#### e) Dividend History

The details of dividend paid by IRCON in the last eight years are summarized as under:

Year	Total paid-up capital (Rs. in Crore)	Total amount of Dividend paid (Rs. in crore)	Date of Board Meeting*/ AGM in which Dividend was declared	Interim / Final	Date of payment of Dividend (interim and final)
2011-2012	0.98	94.03 (Rs.95 per share)	07.11.2011*	Interim	01.12.2011
			25.09.2012	Final	18.10.2012
2012-2013	19.796	148.47 (Rs.75 per share)	30.01.2013*	Interim	25.02.2013
			03.09.2013	Final	27.09.2013
2013-2014	19.796	182.12 (Rs.92 per share)	31.01.2014*	Interim	25.02.2014
			25.09.2014	Final	17.10.2014
2014-2015	19.796	182.12 (Rs.92 per share)	28.01.2015*	Interim	24.02.2015
			22.12.2015	Final	18.01.2016
2015-2016	19.796	168.26 (Rs.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 (Rs.20.46 per share)	20.03.2018*	Interim	28.03.2018
			14.09.2018	Final	10.10.2018

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

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

#### f) 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 utilized. The Policy is annexed to the Board's Report at **Appendix-J** and has also been hosted on the website of the Company.

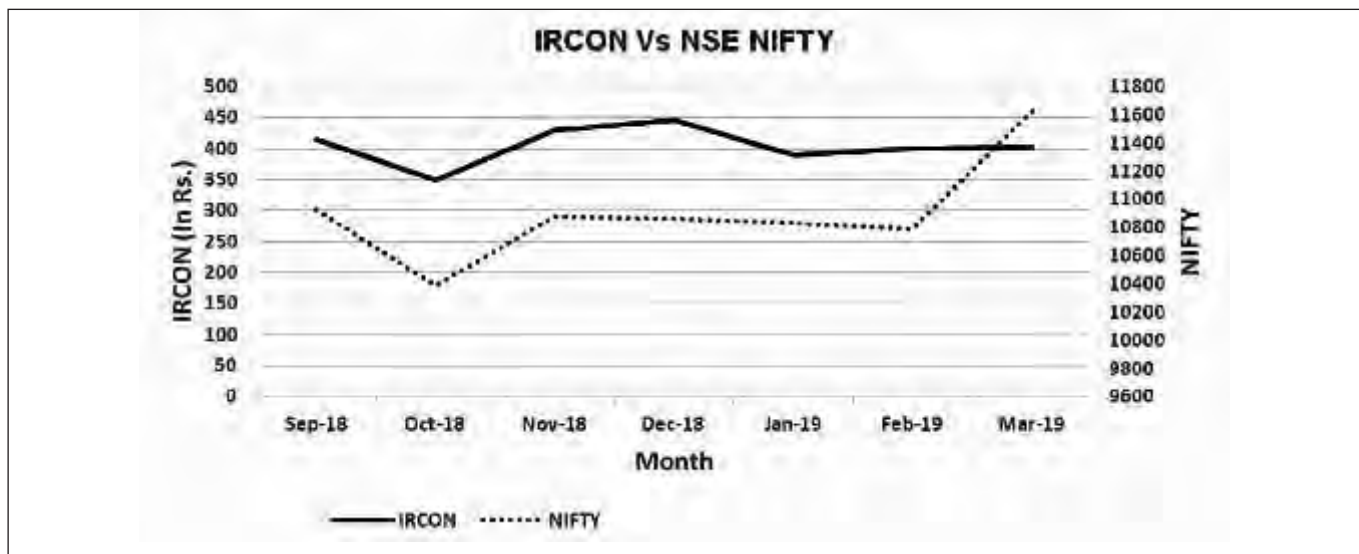
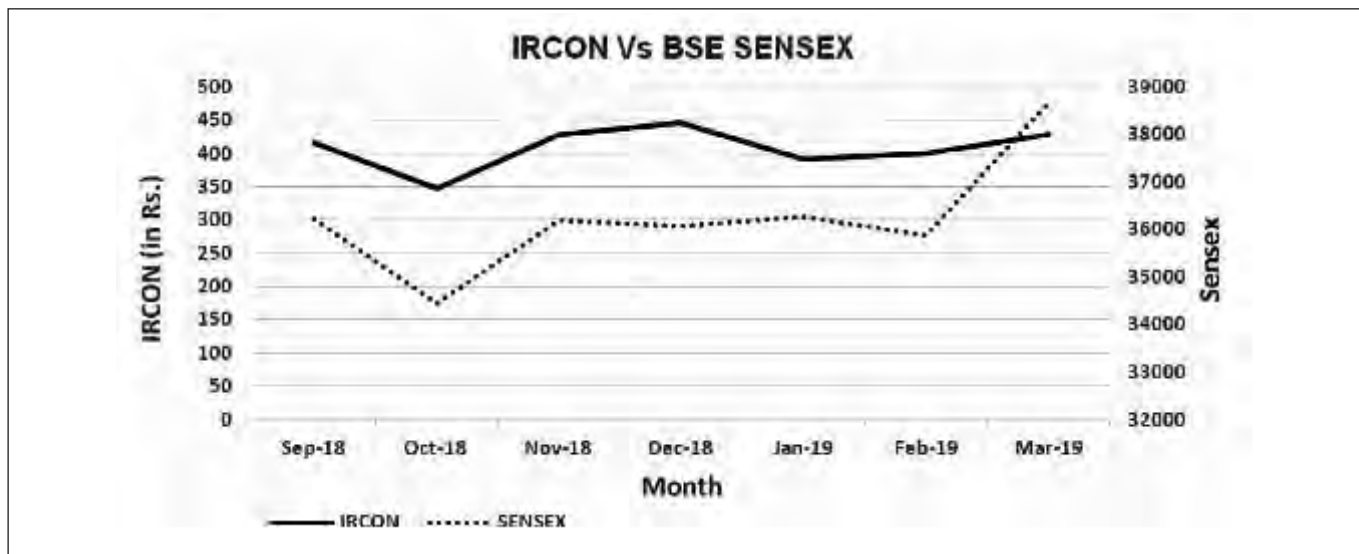
#### g) Listing on Stock Exchange:

The Company got listed on 28.09.2018 on the following Stock Exchanges. The payment of annual listing fee for the Financial Year 2018-19 has been made to National Stock Exchange of India Limited and BSE Ltd. The ISIN is INE962Y01013.

National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 <b>Scrip Code: IRCON</b>	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 <b>Scrip Code: 541956</b>

#### h) IRCON's Shares Market Price Data for the financial year 2018-19 (from 28.09.2018 i.e. date of listing of shares)

Months	BSE				NSE				Index	
	High	Low	Close	Volume	High	Low	Close	Volume	BSE	NSE
	(in Rs.)			(No. of shares in crore)	(in Rs.)			(No. of shares in crore)	SENSEX	NIFTY
Sep-18	464.40	410.30	416.65	33.03	465.00	409.10	415.30	247.86	36227.14	10930.45
Oct-18	438.00	338.00	347.15	26.26	437.85	338.00	348.50	158.30	34442.05	10386.60
Nov-18	434.00	345.60	428.45	14.54	434.85	347.00	429.75	117.75	36194.30	10876.75
Dec-18	470.00	408.00	445.25	23.81	471.00	403.55	445.55	168.26	36068.33	10862.55
Jan-19	452.60	370.60	390.75	8.81	452.95	371.00	389.75	554.16	36256.69	10830.95
Feb-19	406.00	362.25	400.40	4.78	406.00	362.00	400.45	274.25	35867.44	10792.50
Mar-19	441.90	385.60	401.45	7.05	440.00	358.10	402.25	443.77	38672.91	11623.90



i) Securities of the Company have not been suspended from trading during the Financial Year 2018-19.

**j) Registrar and Transfer Agent for Shares**

Karvy Fintech Private Limited  
 Corporate Registry, Karvy Selenium, Tower- B,  
 Plot No. 31 & 32, Financial District,  
 Nanakramguda, Serilingampally Mandal,  
 Hyderabad-500032, India.

Toll Free No: 18003454001

Email: einward.ris@karvy.com

**k) Share Transfer System**

Karvy Fintech Private Limited is the Registrar and Share Transfer Agent (RTA) for the Physical and Demat shares and is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Board of Directors has authorised any one 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 request for rematerialisation of shares.

In line with SEBI’s circular no. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 wherein it has been mandated that w.e.f. 01.04.2019, the request for effecting transfer of securities/ shares shall not be processed unless the securities are held in dematerialized form, except in case of transmission or transposition of securities/shares. In this reference a notice has been hosted on the website of the Company for informing the shareholders to hold the shares in dematerialized form only w.e.f. 01.04.2019.

Entire share transfer activities under physical segment are being carried out by RTA. Half Yearly Compliance Certificate as required under Regulation 7(3) of SEBI (LODR) Regulations, 2015 duly signed by the Compliance Officer and Share Transfer Agent have been submitted to the Stock Exchange.

Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015, 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

stipulated time. Though, during the year 2018-19, no request/ applications relating to share transfers, sub-

division, consolidation, renewal, exchange or endorsement of calls/ allotment monies were received.

### 1) Distribution of Shareholding as on 31st March 2019

(i) Distribution of shares according to size of holding as on March 31, 2019

No. of Equity Share(s) held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 - 5000	79248	99.86	3655469	3.89
5001 - 10000	55	0.07	406816	0.43
10001 - 20000	20	0.03	305052	0.32
20001 - 30000	8	0.01	194161	0.21
30001 - 40000	3	0.00	96930	0.10
40001 - 50000	4	0.01	181445	0.19
50001 - 100000	3	0.00	196764	0.21
100001 and above	15	0.02	89014937	94.64
<b>Total</b>	<b>79356</b>	<b>100.00</b>	<b>94051574</b>	<b>100.00</b>

### (ii) Shareholding Pattern as on March 31, 2019

Category	No. of Shares held	% of Total No. of Shares
President of India	83,878,417	89.18
Mutual Funds	4,444,837	4.73
Financial Institutions/ Banks	208,203	0.20
Foreign Portfolio Investors	267,725	0.28
Bodies Corporates	1,060,315	1.13
Resident Individuals	4,043,809	4.30
Others	148,268	0.16
<b>Total</b>	<b>94,051,574*</b>	<b>100</b>

\*Under Promoter Category, 80% of the share capital held by the President of India and his nominees after the offer are locked-in for a period of one year and an aggregate of 20% of the fully diluted post-Offer capital considered as minimum Promoter's contribution and are locked-in for a period of three years. Under Public Category- shareholding of Bank of India and Indian Railway Finance Corporation Limited are under lock-in for a period of one year.

### (iii) Shareholders holding more than 1% of shares of the Company:

Category & Shareholder's Name	March 31, 2019	
	Voting Strength	No. of Shares held
<b>Promoters</b>		
President of India including his nominees	89.18	83,858,417
<b>Non- Promoters</b>		
Principal Trustee Company Pvt Ltd A/C Principal Mutual Fund-Principal Personal Tax Saver Fund	1.39	1,308,605

### (iv) Disinvestment of shares by the Government of India

During the Financial Year 2018-19, the President of India (Promoter) acting through Ministry of Railways, Government of India, divested its 10.53% stake in the Company (i.e. 9,905,157 Equity Shares of face value of Rs.10 each) through Offer for Sale to the public.

The offer period was open from September 17, 2018 to September 19, 2018. Accordingly, 9,905,157 Equity Shares of Rs. 10/- each for cash at a price of Rs.475 each, aggregating to Rs.466.70 crore through an Offer for Sale by the President of India were offered to and subscribed by the public. A discount of Rs.10 per Equity Share on the Offer Price was offered to the Retail Individual Investors and Eligible Employee

### m) Dematerialization of Shares and liquidity

The shares of the Company are in compulsory dematerialized form and are admitted with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Reconciliation of Share Capital Audit Report of the Company obtained from the Practising Company Secretary has been submitted to Stock Exchanges within stipulated time.

No. of shares held in dematerialized and physical mode as on 31.03.2019 are as follows:

Category	No. of Shares	Percentage
Physical	17	0.000018
Demat		
with NSDL	9,19,03,746	97.716330
with CDSL	21,47,811	2.283652
<b>Total</b>	<b>9,40,51,574</b>	<b>100</b>

### n) Outstanding GDRs/ADRs:

There are no GDRs/ADRs/warrants/convertible instrument outstanding as on 31st March 2019.



**o) Commodity price risk or foreign exchange risk and hedging activities:**

Dealing in foreign currencies involve foreign exchange risk and the exchange rate may change unfavorably before the currency is exchanged. In order to minimize 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 same foreign currency. This provides natural hedging against foreign currency fluctuation risk.

**n) Plant Locations/ Operating Units**

The Company has its headquarter at Saket, New Delhi and 26 project offices and 5 regional offices to support and manage its business operations throughout India and 5 overseas project offices in Sri Lanka, Bangladesh, Malaysia, South Africa and Algeria to provide outside support overseas. A list of the operating units/ offices is available on the website of the Company.

**o) 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

E-Mail: cosecy@ircon.org; Website : www.ircon.org

**p) 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	Rating Agency	Rating	Outlook
Long- term/ Short-term Bank Facilities	CARE	CARE AAA; Stable/CARE A1+(Triple A; Outlook; Stable/ A One Plus)	Stable

## 14. DISCLOSURES

14.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

The transactions with related party are in the ordinary course of business on arms' length basis and the disclosure of the same has been made as per requirement of Companies Act, 2013 (i.e. Form AOC-2), SEBI (LODR) Regulation, 2015 and relevant Accounting Standard (in notes to Financial Statement 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](http://www.ircon.org/index.php?option=com_content&view=article&id=212&Itemid=606&lang=en)

14.2 Non- Compliance/ 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.

### 14.3 Code of Conduct

The Company has in place a Code of Conduct for Board Members and for Senior Management (i.e. Directors, Chief Vigilance Officer, Executive Director, Chief General Managers, General Managers and above, and Project/ Functional Heads) and also Key Values for the Company as a whole. Both the Code of Conduct and Key Values came into effect from 1st April 2005 and have been posted on the website of the Company i.e. www.ircon.org.

Declaration signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from Board of Directors and Members of Senior Management team during 2018-19 is placed as **Annexure – E1**.

### 14.4 Code of Conduct for Fair Disclosure for Prevention of Insider Trading

In pursuance of SEBI (Prevention 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.

### 14.5 Whistle Blower Policy

The Company has in place a BoD approved Whistle Blower Policy under which there is a mechanism for Employees and Directors of the Company to report to the Management, concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of conduct, instances of leak of unpublished price sensitive information. The Policy also provides for adequate safeguards against victimization 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 complaint against 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.

14.6 The Company has complied with the requirements of SEBI (LODR) Regulations, 2015 as amended. The Company is non-compliant with respect to composition of Board of Directors due to vacant posts of Independent Directors, as the appointment is done by the administrative Ministry (i.e. Ministry of Railways). The Company has no role to play in it.

### 14.7 Web link where policy for determining 'material' subsidiaries is disclosed:

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

Presently, the Company has following five wholly owned subsidiaries:

a) Ircon Infrastructure & Services Limited (IrconISL)

- b) Ircon PB Tollway Limited (IrconPBTL)
- c) Ircon Shivpuri Guna Tollway Limited (IrconSGTL)
- d) Ircon Davanagere Haveri Highway Limited (IrconDHHL)
- e) Ircon Vadodara Kim Expressway Limited (IrconVKEL)

None of the aforesaid subsidiary companies are material listed subsidiary companies.

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

**14.9** 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 financial year 2018-19 on consolidated basis are mentioned below:

S. No.	Particulars of fees	(Rs. in crore)
1.	Audit fee	0.43
2.	Tax Audit Fees	0.12
3.	Fee for quarterly limited review	0.11
4.	Certification fees	0.05
5.	Travelling & Out of pocket Expenses:	
	a) Travelling Expenses	0.06
	b) Out of pocket expenses	0.09
	<b>Total</b>	<b>0.86</b>

**14.10 Certificate for disqualification of Directors:**

Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have 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**.

**14.11 Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2018-19:**

Number of Complaints filed during the year	Number of complaints disposed off during the year	No. of complaints pending as on end of the year
Nil	Nil	Nil

**14.12** 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.

**14.13 Disclosure with respect to Demat Suspense Account/ Unclaimed suspense account:** During the Financial year 2018-19, the Company does not have any shares in the Demat suspense account or unclaimed suspense account.

**14.14 Unclaimed Dividend**

The amount of Dividend remaining unpaid/unclaimed for seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As of now, no amount is yet due for transfer to Investor Education and Protection Fund.

**14.15 Details of Compliance with the requirements of DPE Corporate Governance Guidelines:**

DPE has awarded 'Excellent' grading to IRCON for compliance of DPE Corporate Governance Guidelines during 2017-18.

IRCON has secured, based on self-evaluation, an annual score of '97.96' out of 100 which falls under 'Excellent' grade for compliance of DPE Corporate Governance Guidelines for the year 2018-19.

**14.16 Presidential Directives for the last three years:**

Ministry of Railways conveyed its decision of disinvestment of its shareholding in the Company through Initial Public Offering. Accordingly, Government of India has disinvested 10.53% (99,05,157 equity shares) of its shareholding in the Company by way of Initial Public Offering and the Company was listed with BSE Ltd. and National Stock Exchange of India Ltd. on 28th September 2018.

**14.17 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.

**14.18 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 is as per government approved pay and perks (details given in para 5 of this report and also disclosed in Note No. 42 forming part of the standalone financial statement.

**14.19 Details of Administrative and Office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase.**

Other Expenses and Bank & Other Finance charges as a percentage of total expenses vis-a-vis financial expenses are given below:

Particulars	2018-19	2017-18	Remarks
Other Expenses (Administrative) (Rs. in crore)	49.45	41.94	
Bank & Other Finance Charges (Rs. in crore)*	13.09	6.18	
Total Expenses (Rs. in crore)	4064.36	3591.09	Nil
Administration expenses/ Total expenses (in %)	1.22	1.17	
Bank & Financial Charges/ Total expenses (in %)	0.21	0.17	

\* Excluding interest on unwinding of financial instruments, amortization of financial instruments and unwinding of discount on provisions.

**15. AUDIT QUALIFICATIONS**

For Audit Qualifications, the Independent Auditor's Report submitted by K. G. Somani & Co., Chartered Accountants on the financial statements for the year ending 31st March 2019 may be referred to.

**16. DISCRETIONARY REQUIREMENTS:**

- a) **The Board:** The Company is headed by an executive Chairman.
- b) **Shareholders' Rights:** The financial results for the half-year ended 30th September 2018 were published in Financial Express (English), Dainik Jagran (Hindi) and Jansatta (Hindi) dated 2<sup>nd</sup> November 2018 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 and the intimations to Stock Exchanges have been disclosed on the Company website.
- c) **Audit Qualifications:** The Auditor's report is unmodified.
- d) **Reporting of Internal Auditor:** The Internal Auditors directly report to the Audit Committee.

**17. CEO / CFO CERTIFICATION**

As per Regulation 17 (8) of the SEBI (LODR) Regulations, 2015 the certificate duly signed by the Chairman and Managing Director and Director (Finance) was placed

before the Board of Directors at its meeting held on 28th May 2019 and the same is placed as **Annexure- E3** to this Report.

**18. COMPLIANCE**

This Report duly complies with the legal requirements in respect of data that should be disclosed in a Corporate Governance Report for the year 2018-19.

Certificate obtained from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance is placed as **Annexure -E4** to this Report.

For and on behalf of the Board of Directors  
Sd/-

**(S. K. Chaudhary)**

Chairman & Managing Director  
(DIN: 00515672)

Place: New Delhi

Date: 22<sup>nd</sup> July 2019

**Annexure - E1**

**DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING  
COMPLIANCE WITH THE CODE OF CONDUCT BY BOD MEMBERS AND SENIOR  
MANAGEMENT DURING THE FINANCIAL YEAR 2018-19.**

I, S.K. Chaudhary, Chairman & Managing Director, Ircon International Limited, do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct and Key Values of the Company during 2018-19.

Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director  
(DIN: 00515672)

Place: New Delhi

Date: 25<sup>th</sup> June 2019

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  
Ircan International limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IRCON INTERNATIONAL LIMITED having CIN L45203DL1976GOI008171 and having registered office at PLOT No. C - 4, DISTRICT CENTRE, SAKET, NEW DELHI- 110017 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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
1	Shri Sunil Kumar Chaudhary	00515672	29/10/2016
2	Shri Deepak Sabhlok	03056457	16/04/2010
3	Shri Mukesh Kumar Singh	06607392	01/05/2016
4	Shri Yogesh Kumar Misra	07654014	28/12/2018
5	Shri Piyush Agarwal	08305385	17/12/2018
6	Shri Sukhmal Chand Jain	07564584	24/10/2018
7	Shri Avineesh Matta	00011749	08/04/2016
8	Prof. Vasudha Vasant Kamat	07500096	22/04/2016
9	Dr Balasatya Venkataramana Chitta	03179171	28/09/2017
10	Dr Narinder Singh Raina	07968391	17/10/2017
11	Shri Ashok Kumar Ganju	07014589	08/03/2018

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.

Place: Noida  
Date: 20.05.2019

For Kumar Naresh Sinha & Associates  
Company Secretaries

Sd/-  
CS Naresh Kumar Sinha  
(Proprietor)  
FCS: 1807  
C P No.: 14984

**CEO & CFO CERTIFICATION**

To,  
The Board of Directors  
Ircon International Limited  
C-4, District Centre, Saket,  
New Delhi - 110017

**Sub: Compliance Certificate for the year ended on 31.03.2019**

We have reviewed the Financial Statements and the cash flow statement for the year for the financial year 2018-19 and that to the best of our knowledge and belief:

- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) 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;
- (c) 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 Company's code of conduct;
- (d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (e) We have indicated to Auditors and the Audit Committee:
  - (i) changes in internal control over financial reporting during the year;
  - (ii) changes in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
- (f) There was no instance of fraud of which we are aware nor there has been involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Place : New Delhi  
Date : 28th May, 2019

## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE F.Y. 2018-19

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, 2019, 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, 2019 **subject to the following:**
  - i. **The Company has not complied with the Provisions of Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors from 28.12.2018 to 31.03.2019.**
  - ii. **Provisions of Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to constitution of Audit Committee and Section 178 of the Companies Act, 2013 & Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to constitution of the Nomination and Remuneration Committee were not complied by the Company from 01.10.2018 to 21.10.2018.**
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Kumar Naresh Sinha & Associates  
Company Secretaries

Sd/-

**CS Naresh Kumar Sinha**  
(Proprietor)

FCS: 1807, CP No.: 14984

Place: Noida  
Date: 14.06.2019

## BUSINESS RESPONSIBILITY REPORT (BRR)

Appendix – F

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	<b>Corporate Identity Number (CIN) of the Company</b>	L45203DL1976GOI008171
2.	<b>Name of the Company</b>	Ircon International Limited (IRCON)
3.	<b>Registered address</b>	C-4, District Centre, Saket, New Delhi- 110017
4.	<b>Website</b>	www.ircon.org
5.	<b>E-mail id</b>	cosecy@ircon.org
6.	<b>Financial Year reported</b>	2018-19
7.	<b>Sector(s) that the Company is engaged in (industrial activity code-wise)</b>	Construction of Roads and Railways (NIC Code – 4210)
8.	<b>List three key products/services that the Company manufactures/provides (as in balance sheet)</b>	IRCON is an integrated Indian engineering and construction Company and specialises in infrastructure projects. Major services that the Company provides in relation thereto are as follows: (a) Railways, Highways & Bridges (b) Electrical (c) Signaling & Telecom (S&T) (d) Workshops and other buildings
9.	<b>Total number of locations where business activity is undertaken by the Company:</b> (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	(a) Number of International Locations IRCON is having five major overseas locations (i.e. Sri Lanka, Bangladesh, Malaysia, South Africa and Algeria) from where business activities are undertaken. (b) Number of National Locations IRCON is headquartered at Saket, New Delhi, India and has twenty one project offices and five regional offices to support and manage our business operations throughout India.
10.	<b>Markets served by the Company – Local/State/National/International</b>	IRCON serves Local / State / National and International markets

### SECTION B: FINANCIAL DETAILS OF THE COMPANY (2018-19)

1.	<b>Paid up Capital (Rs. in Crore)</b>	<b>Rs.94.05 crore</b>
2.	<b>Total Turnover (Rs. in Crore)</b>	<b>Rs.4679.54 crore</b>
3.	<b>Total Profit after taxes (Rs. in Crore)</b>	<b>Rs.444.68 crore</b>
4.	<b>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)</b>	<b>Rs.8.75 crore</b>
5.	<b>List of activities in which expenditure in 4 above has been incurred</b>	<b>Refer “CSR and Sustainability Report” annexed to the Directors’ Report</b>

### SECTION C: OTHER DETAILS

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

Yes. As on 31st March 2019, IRCON has five subsidiary companies viz.,

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

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

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

**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 Company's stakeholders who are having formal business arrangements with the Company viz. Government, customers, suppliers, contractors and others are indirectly participating in the BR initiatives of the Company. However, it is difficult to establish the extent of their support in facilitating the BR initiatives of the Company.

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR**

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

No.	Particulars	Details
1	DIN Number	07654014
2	Name	Shri Yogesh Kumar Misra
3	Designation	Director (Works)

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Shri Basant Kumar
3	Designation	Executive Director (Corporate Coordination)
4	Telephone number	011-26545470
5	E-mail id	basant@ircon.org

**2. Principle-wise (as per NVGs) BR Policy/policies**

	Principles
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

**(a) Details of compliance**

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 being 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 confirming to applicable statutes/guidelines/rules/policies etc. issued by the Government of India. These policies were formulated keeping in view industry practices and standards.								
4	Has the policy being approved by the Board? Is 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 for the policy to be viewed online?	The Policies of the Company are available on the website of the company at the belowmentioned link: <a href="https://www.ircon.org/index.php?option=com_content&amp;view=article&amp;id=212&amp;Itemid=606&amp;lang=en">https://www.ircon.org/index.php?option=com_content&amp;view=article&amp;id=212&amp;Itemid=606&amp;lang=en</a>								



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 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 independent audit/ evaluation of the working of this policy by an internal or 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.								

**(b) If 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 is not having any specific policy on this subject as the same is not applicable on the Company.

**1. 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 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 integral item of business concerned. During the year 2018-19, board level committee for CSR met five times, for assessment & review of CSR activities in IRCON while the BoD met eight 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. 28th September 2018 and based on the market capitalization as on 31.03.2019, IRCON is among the top 500 listed companies; hence, Business Responsibility Report (BRR) has become mandatory for the first time. The Company is, therefore, publishing its BR report for the first time as a part of the Annual Report 2018-19. Henceforth, the same shall be done annually. The BR Report for the year 2018-19 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](http://www.ircon.org/index.php?option=com_content&view=article&id=56&Itemid=430&lang=en)

The Sustainability Reports of the Company are published annually and are available at [http://www.ircon.org/index.php?option=com\\_content&view=article&id=52&Itemid=424&lang=en](http://www.ircon.org/index.php?option=com_content&view=article&id=52&Itemid=424&lang=en)

**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 Ethics, Transparency and

Accountability as per the policies mandated under SEBI Regulations, Companies Act and Department of Public Enterprises (DPE) Guidelines and other policies of the Government of India as applicable from time to time. The Company has well-structured vigilance department ushering transparency, efficiency and integrity and best corporate practices in the working of the organisation. The Company has a Whistle Blower Policy meant for employees to raise any ethical issues within the organisation. Fraud Prevention & Detection Policy is in place for any fraud or suspected fraud involving employees of IRCON as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies) doing any type of business with IRCON. The Company also has in place Code of Conduct for all Board Members and for Senior Management and Whole-time Directors.

All these policies cover the Company and its employees and directly/indirectly extends to its subsidiary companies, while Joint Venture companies have their own set of principles and procedures, broadly in line with the Company’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 requirement of SEBI (LODR) Regulations, 2015 and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholder Relationship Committee specifically to look into various aspects of interest of shareholders. As reported by Karvy Fintech Private Limited (Registrar & Transfer Agent of the Company), 380 grievances were received from the shareholders during the year 2018-19, out of which all grievances except 16 grievances were redressed up to March 31, 2019. The 16 unresolved grievances have been replied in April 2019 by RTA.

In addition, a total of 32 public grievance/complaints were received from the general public under Centralized Public Grievance Redressal and Monitoring Scheme during the year 2018-19. All the grievances were disposed off within the prescribed period of 60 days.

During the year 2018-19, the vigilance department has received a total of 21 complaints. Out of these 17 complaints were disposed off and 04 are pending as on 31st March, 2019.

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

As on 31st March 2019, 3(three) cases filed by the MSEs are pending at MSME SAMADHAN- Delayed Payment Monitoring System.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability 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 undertakes the projects that mainly pertain to development of social infrastructure like road, highways, railways etc. These projects are designed as per the specifications of the client and IRCON has little choice to include sustainability features in the project, however, the Company endeavours for such activities when the projects are being designed on its own.

The major services which have addressed social or environmental concerns, opportunities are as follows:

- (a) Supervisory Control and Data Acquisition System (SCADA) for energy management have been made operational at Rail Coach Factory, Rae Bareli.
- (b) The company has made capital investment on energy conservation equipments viz. Solar photovoltaic power generation plant of approx Rs. 56.63 lakh and Capacitor bank of approx Rs.112.23 Lakh (in four buildings).
- (c) The Company has constructed all sub-station buildings in DMRC with latest energy efficient and environmental friendly guidelines which includes LED lights, Rain Water harvesting, Solar panel etc.
- (d) LED Lights, sensor lights and sensor taps are being used at corporate office to conserve electricity and water, Solar panels have been installed at various offices / projects.
- (e) Waste water is recycled at Corporate Office through Sewage Treatment Plant (STP) and the same is used for horticulture work.

Further, all the Indian and foreign projects carried out by company comply with the Statutory Laws and conforms to the National & 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 2018-19, the Company has not measured usage of water, energy and raw material on all its projects being executed all over India as IRCON is in 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 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.**

Being a Government Company, IRCON is required to comply with the requirement of procurement of

sources through Micro & Small Enterprises (MSEs). The Company has in place 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 i.e. Central Public Procurement Portal (<https://etenders.gov.in/eprocure/app>) provides for facilitation of registration of MSEs firms registered with statutory bodies specified by Ministry and participation in e-tender by availing the benefits of exemption from payment of cost of tender fee and earnest money.

The Company pursues its business activities in a safe and sustainable manner. All work practices, procedures and production endeavours 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 organization (since 1996), Environment Management System (since 2011), and Occupational Health and Safety Management System (certified since 2012-13). The company has now switched over to new standard of Occupational Health and Safety Management System i.e. 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 & 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 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 & 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. Vendor Development Programme for MSEs are also organised by the Company to bring more awareness among MSE and increase their participation. In addition, 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 being a CPSE, goods and services are procured by calling tenders as per Procurement Policy of the Company. The Company is into the business of infrastructure building in foreign countries as well. Although the scope of procurement in these projects is limited, the company sources 65%-75% goods & services from indian companies in GOI funded projects.

For procurement of goods and services, open Tenders are generally invited. To improve the capacity and

capability of local and small vendors, certain steps are being taken by IRCON like discounts / benefits to the local and small vendors are being given to reduce the transaction cost of doing business, MSE are provided with tender sets free of cost, exemption from the payment of earnest money and adopting e-procurement to bring transparency etc. Further, we have successfully on boarded TreDS platform for encouraging participation of the MSEs.

‘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 with quality and within scheduled time.

Further, Company has taken necessary steps for implementation of the above policies and continued pursuit of the Company in this direction has improved participation of small, 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 specialized construction organisation covering the entire spectrum of construction activities and services in 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 like Rail coach factory, Rae Bareli like waste water recycling through Sewage Treatment Plant (STP) are also being constructed at Noida, Gurgaon, and MFC buildings. LED lights, sensor lights and sensor taps are being used in Corporate Office to conserve electricity and water.

**Principle 3: Businesses should promote the wellbeing of all employees (Details as on 31.03.2019)**

- 1. Please indicate the Total number of employees.**  
Total number of employees as on 31st March 2019 - 1576.
- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**  
During the year 2018-19, IRCON hired 320 employees on contractual basis and 22 on service contract basis. The Company does not hire employees on temporary/casual basis. However, the Company awards job/works contracts to contractors at its various projects as per requirement of the project / 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 31st March, 2019 - 66.
- 4. Please indicate the Number of permanent employees with disabilities**  
Number of permanent employees with disabilities as on 31st March, 2019 - 17.
- 5. Do you have an employee association that is recognized by management.**  
There is no employee association that is recognized by management.

- 6. What percentage of your permanent employees is members of this recognized employee association?**  
N.A.

- 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.**

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	N.A.	N.A.
2	Sexual harassment	NIL	NIL
3	Discriminatory Employment	NIL	NIL

- 8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

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

- Permanent Employees:** 99.32%
- Permanent Women Employees:** 3.59%
- Casual/Temporary/Contractual Employees:**0.67%
- Employees with Disabilities:** 1.39%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

- 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 & marginalized stakeholders.**

The Company has identified PwD, SC, ST, OBC, Women, Startups etc. as disadvantaged, vulnerable & marginalised stakeholders and their concerns are addressed as per the government policies as applicable from time to time.

The Company regularly organises vendors 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 and has in place a policy for Public Procurement from ‘Startup’ under the ‘Startup India’ initiative of the Government of India for creating conducive environment for startups in India. While developing the infrastructure projects, the Company ensures that the structures are friendly for the physically handicapped persons.

The Company has a well structured Corporate Social

Responsibility and Sustainability policy (CSR policy) covering sustainability needs for various stakeholders which covers capacity building empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalised and under-privileged, 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.

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

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

The Company has adopted CSR policy which also aims to development of disadvantaged and marginalized section of society. The initiatives taken in this front are providing solar lights in rural areas, imparting skill development training, employment of rural women through Self Help Groups (SHGs) and provision of sanitary napkins disposal machines, imparting employment oriented training and skill development program for unemployed youth/SC/ST/OBC women and Economically Weaker Sections (EWS) of society etc.

The Company is procuring the 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.

Further, the Company has Policy for Prevention, Prohibition and Redressal of Sexual Harassment at work place for providing congenial and safe working atmosphere to women employees.

**Principle 5: Businesses should respect and promote human rights**

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

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

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

No complaint were received regarding violation of human rights during the year 2018-19.

**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 & Sustainability Policy to act in

socially, economically and environmentally sustainable manner at all times and Environmental Manual which includes Safety, Health and Environmental policy (SHE policy) to achieve safety of personnel, works and assets in all areas of activities. It aims to maintain a healthy and hygienic atmosphere.

Company has also established Environment Management System in all areas of activities in conformity with applicable laws, and ensure a safe and healthy working environment by prevention of pollution and conservation of natural resources. In view of the same, the Company has been accredited to ISO 14001-2015 in March 2017.

The Environmental policy of IRCON encompasses the Company, its subsidiaries in general and relative aspects pertaining to Vendors/Suppliers/Contractors through contract conditions.

**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 etc.**

IRCON as a responsible corporate is committed to protect environment by preventing pollution and conserving natural resources. The Company implements 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 impact of climate change, preserve quality of human life and meet government initiatives.

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

Further, environmental friendly equipment such as solar panels have been installed and are being installed at various offices / projects. Waste water is recycled at Corporate Office through Sewage Treatment Plant (STP), and the same is used for horticulture work. STPs are also being constructed at Noida, Gurgaon, and MFC buildings. LED lights, sensor lights and sensor taps are being used in Corporate Office to conserve electricity and water. Various environment friendly steps like use of fly ash brick instead of clay brick, rain water harvesting arrangements, sensor controlled Chromium Plate (CP) fittings, use of latest version of facade glass (glass in building) to make the building sustainable etc. are being taken up across various offices / projects of the Company. Monitoring of water usage and waste water, ambient air quality and noise quality is also being carried out at various construction sites. The Company is emphasizing on providing clean environment by initiating indoor air quality monitoring in the Corporate Office building. Tree plantation is also undertaken by corporate office and project offices.

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

Yes, Company has a framework for "Impact on Environment due to construction work" which provides for assessment of environmental aspect for construction activities at its sites and project offices. The assessment of positive and negative impact that the project may have on environment consisting of natural, social and economic aspects. It identifies significant impact of construction activities on environment. Thereafter, control measures are adopted by the company to minimize the effect of any

significant impact on the environment.

Further, the Company ensures all mandatory clearances including environment clearance from the Ministry of Environment, Forest and Climate Change before commencement of any construction at project sites.

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

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

Further, Company as a responsible entity has been diligently contributing to the National movements through contribution towards Swachh Bharat Kosh, Clean Ganga Fund for growth of the nation and purchase of Railway track cleaning machine for cleanliness as a part of CSR activities.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

IRCON is an ISO certificated organisation for QMS, EMS & OHSAS since 1994, 2011 & 2012 respectively. The Company is taking the initiatives towards the clean environment by use of solar energy, installation of sewage treatment plants, use of LED lights, use of sensor fitted lights in building corridors at corporate office/project office.

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

All legal parameters including emission norms and waste are being adhered by the company.

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

NIL

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

**2. Have you advocated/lobbied through above**

**associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Company's interests are represented via inputs to government queries, knowledge sharing, response to surveys, feedback on industry needs, formation of government policies like GST, Company Law, Industrial policy, Procurement Policy etc. Company also interacts with government bodies like Ministry of Railways, DPE, NITI Aayog and participates in various policy formulation like Road map for development of CPSEs, Make in India, Start-up India etc. The Company provides its unbiased opinion in a responsible manner at relevant forum for the development of infrastructure in the country and in general, towards sustainable development and corporate social responsibility for the improvement of public good.

**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 details thereof.**

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

Further, Company also has a well structured CSR & Sustainability Policy. In view of the same the Company has various social development projects which are aimed at promoting healthcare, providing sanitation, and creating livelihood for the people especially those belonging to the disadvantaged sections of the society. The details of the projects under CSR Policy and indicative allocation of the CSR Budget has been given in 3 categories towards National Development agenda:

- **Category (i)** – 33% of the CSR Budget covering initiatives for Swachh Bharat or activities from Ministry of Railways relating to such contributions
- **Category (ii)** – 30% of the CSR Budget covering initiatives for Clean Ganga, Railways, Highways, Environment sustainability, water & sanitation
- **Category (iii)** – 37% of the CSR Budget covering initiatives for development projects on women, youth, children, education, skill development, health, war martyrs etc

The list of projects under the above mentioned categories are enclosed in the CSR & sustainability Report annexed to Directors Report

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

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

There is a separate CSR Department for implementing CSR Policy of the company and where the Company does not have an 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 etc. are being taken.

As per DPE Guidelines, CPSEs cannot implement the projects through their employees/staff.

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

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

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

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

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

IRCON before undertaking any CSR activity follows 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 & requirement from Local administration of the project location, field verification & compliance check, sustainability factor etc.

Apart from above, the CSR department and project offices have 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 report, physical progress report, community interaction report, feedback reports from local administration & community etc. of each CSR project are sent to the Nodal officer, who in turn compile the reports and put up the progress report to the CSR Committee/BoD 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, implementation of the major activities is reported in media. In addition, separate section about CSR is included in the Annual Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

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

Out of total business of IRCON, 97.69 % are contributed from Railways & Highways. Most of projects / works of IRCON in the domestic region are awarded by Ministry of Railways, National Highway Authority of India and other government authorities

Regular meetings with the vendors / suppliers are being carried out at the Project Sites / offices for speedy resolutions of their grievances / issues faced by them in 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 end of 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 projects / works of IRCON in the domestic region are awarded by Ministry of Railways, National Highway Authority of India and other government authorities; hence, we are not directly linked to the individual customers.

The Company is pro-active on its part in dealing with its clients. During the course of execution of the project, regular and structured meetings, 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 construction is rectified and attended promptly. This approach has lead to customers/client satisfaction, which is often reflected in the form of repeat orders.

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

For and on behalf of the Board of Directors

Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director  
(DIN: 00515672)

Place : New Delhi

Date : 22<sup>nd</sup> July 2019

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
 [As on 31.03.2019]

Appendix - G

[Pursuant to Section 92 (3) of the Companies Act, 2013, and Rule 12(1) of the  
 Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

1	Corporate Identity Number (CIN)	<b>L45203DL1976GOI008171</b>
2	Registration Date	<b>28th April 1976</b>
3	Name of the Company	<b>Ircon International Limited</b>
4a)	Category of the Company	<b>Public Company</b>
4b)	Sub-category of the Company	<b>Government Company, Limited by Shares, and Company having share capital.</b>
5	Address of the Registered office & contact details	<b>Plot No. C-4, District Centre, Saket, New Delhi - 110017 Ph. No.: 011-26530456 Fax No. : 011-26522000 Email id: cosecy@ircon.org</b>
6	Whether Listed Company (Yes/ No)	<b>Yes (w.e.f. 28th September 2018)</b>
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>"Karvy Fintech Private Limited Corporate Registry, Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, Telangana, India Telephone: +91 40 6716 2222 Email: einward.ris@karvy.com"</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company are:

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/service	% to total turnover of the Company
1	Railways	4210	85.12%
2	Highways	4210	12.57%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

[No. of Companies for which information is being filled - 12 Companies]

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
1	Ircon Infrastructure & Services Limited Plot No. C-4, District Centre, Saket, New Delhi -110017.	U45400DL2009GOI194792	Wholly owned subsidiary	100%	2(87)
2	Ircon PB Tollway Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2014GOI272220	Wholly owned subsidiary	100%	2(87)
3	Ircon Shivpuri Guna Tollway Limited C-4, District Centre, Saket, New Delhi -110017	U45400DL2015GOI280017	Wholly owned subsidiary	100%	2(87)
4	Ircon Davanagere Haveri Highway Limited C-4, District Centre, Saket, New Delhi -110017	U45500DL2017GOI317401	Wholly owned subsidiary	100%	2(87)
5	Ircon Vadodara Kim Expressway Limited C-4, District Centre, Saket, New Delhi -110017	U74999DL2018GOI334028	Wholly owned subsidiary	100%	2(87)
6	Indian Railway Stations Development Corporation Limited 4th Floor, Palika Bhawan, Sector-XIII, R. K. Puram, New Delhi- 110066.	U45204DL2012GOI234292	Associate	50%	2(6)
7	Ircon-Soma Tollway Private Limited C-4, District Centre, Saket, New Delhi-110017.	U74999DL2005PTC135055	Associate	50%	2(6)
8	Chhattisgarh East Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000729	Associate	26%	2(6)
9	Chhattisgarh East-West Railway Limited Mahadev Ghat Road, Raipura Chowk, Raipur-492013, Chhattisgarh.	U45203CT2013GOI000768	Associate	26%	2(6)
10	Mahanadi Coal Railway Limited Corporate Office, MCL HQ, MDF Room, Jagruti Vihar, Burla, Sambalpur - 768020 (Odisha)	U60100OR2015GOI019349	Associate	26%	2(6)
11	Jharkhand Central Railway Limited CCL, Darbhanga House, Ranchi - 834029 (Jharkhand)	U45201JH2015GOI003139	Associate	26%	2(6)
12	Bastar Railway Private Limited Global Exploration Centre, NMDC Green Valley City, Housing Board Colony, Borlyakala Raipur, Chhattisgarh - 492201	U74900CT2016PTC007251	Associate	26%	2(6)



**IV.(A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Shareholding

CATEG-ORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01.04.2018		NO. OF SHARES HELD AT THE END OF THE YEAR i.e. 31.03.2019		% CHANGE DURING THE YEAR	
		DEMAT (III)	PHYSICAL (IV)	DEMAT (VII)	PHYSICAL (VIII)		TOTAL (IX)
(I)	(II)		(V)	(VI)		(XI)	
(A)	<b>PROMOTER AND PROMOTER GROUP</b>						
(1)	INDIAN						
(a)	Individual / HUF	0	0	0.00	0	0.00	0.00
(b)	Central Government/State Government(s)	93763574	20000	93783574	83878417	89.18	-10.53
(c)	Bodies Corporate	0	0	0.00	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0.00	0	0.00	0.00
(e)	Others	0	0	0.00	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>93763574</b>	<b>20000</b>	<b>93783574</b>	<b>83878417</b>	<b>89.18</b>	<b>-10.53</b>
(2)	FOREIGN						
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0.00	0	0.00	0.00
(b)	Bodies Corporate	0	0	0.00	0	0.00	0.00
(c)	Institutions	0	0	0.00	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0.00	0	0.00	0.00
(e)	Others	0	0	0.00	0	0.00	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>93763574</b>	<b>20000</b>	<b>93783574</b>	<b>83878417</b>	<b>89.18</b>	<b>-10.53</b>
(B)	<b>PUBLIC SHAREHOLDING</b>						
(1)	INSTITUTIONS						
(a)	Mutual Funds / UTI	0	0	0.00	4444837	4.73	4.73
(b)	Financial Institutions /Banks	24000	0	24000	208203	0.22	0.20
(c)	Central Government / State Government(s)	0	0	0.00	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0.00	0	0.00	0.00
(e)	Insurance Companies	0	0	0.00	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0.00	267725	0.28	0.28
(g)	Foreign Venture Capital Investors	0	0	0.00	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0.00	0	0.00	0.00
(i)	Others	0	0	0.00	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>24000</b>	<b>0</b>	<b>24000</b>	<b>4920765</b>	<b>5.23</b>	<b>5.20</b>

CATEG- ORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01.04.2018			NO. OF SHARES HELD AT THE END OF THE YEAR i.e. 31.03.2019			% CHANGE DURING THE YEAR	
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)		TOTAL (IX)
(1)	(II)								
(2)	NON-INSTITUTIONS								
(a)	Bodies Corporate	244000	0	244000	0.25	1060315	0	1060315	1.13
(b)	Individuals								
	(i) Individuals holding nominal share capital upto Rs.1 lakh	0	0	0	0.00	3637116	17	3637133	3.87
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	0	0	0	0.00	406676	0	406676	0.43
(c)	Others								
	CLEARING MEMBERS	0	0	0	0.00	36479	0	36479	0.04
	NBFC	0	0	0	0.00	175	0	175	0.00
	NON RESIDENT INDIANS	0	0	0	0.00	75866	0	75866	0.08
	NRI NON-REPATRIATION	0	0	0	0.00	29121	0	29121	0.03
	TRUSTS	0	0	0	0.00	6627	0	6627	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00
	<b>Sub-Total B(2) :</b>	<b>244000</b>	<b>0</b>	<b>244000</b>	<b>0.25</b>	<b>5252375</b>	<b>17</b>	<b>5252392</b>	<b>5.58</b>
	<b>Total B=B(1)+B(2) :</b>	<b>268000</b>	<b>0</b>	<b>268000</b>	<b>0.28</b>	<b>10173140</b>	<b>17</b>	<b>10173157</b>	<b>10.82</b>
	<b>Total (A+B) :</b>	<b>94031574</b>	<b>20000</b>	<b>94051574</b>	<b>100.00</b>	<b>94051557</b>	<b>17</b>	<b>94051574</b>	<b>100.00</b>
(C)	Shares held by custodians, against which Depository Receipts have been issued								
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>94031574</b>	<b>20000</b>	<b>94051574</b>	<b>100.00</b>	<b>94051557</b>	<b>17</b>	<b>94051574</b>	<b>100.00</b>

Note:

- During the year, the President of India divested 10.53% of its stake in the Company through offer for sale to the public. The Company got listed on 28.09.2018 on BSE and NSE.

**(B) SHAREHOLDING OF PROMOTER:**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year			% change in shareholding during the year (in %)	
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company		% of shares pledged/ encumbered to total shares
1	The President of India and his nominees	9,37,83,574	99.72	NIL	8,38,78,417	89.18	NIL	-10.53

**(C) CHANGE IN PROMOTER'S SHAREHOLDING (please specify, if there is no change):**

S. No.	For each of the Top 10 Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	President of India				
	At the beginning of the year (01-04-2018)	9,37,83,574	99.72	9,37,83,574	99.72
	Date wise Increase/ (Decrease) in Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/bonus/ sweat equity etc)				
	Date	Reason			
	07-09-2018	Disinvestment through offer for sale to public	-10.53	8,38,78,417	89.18
	At the end of the year (31-03-2019)	8,38,78,417	89.18	8,38,78,417	89.18

**(D) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS\* (other than Directors, Promoters and Holders of GDRs and ADRs)**

S. No.	For each of the Top 10 Shareholders*	Shareholding		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	<b>PRINCIPAL TRUSTEE COMPANY PVT LTD A/C PRINCIPAL MUTUAL FUND</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b>	<b>Purchase / Sale</b>				
	28-09-2018	Purchase	184987	0.20	184987	0.20
	05-10-2018	Purchase	892000	0.95	1076987	1.15
	12-10-2018	Purchase	122000	0.13	1198987	1.27
	12-10-2018	Sale	-220627	-0.23	978360	1.04
	19-10-2018	Purchase	35000	0.04	1013360	1.08
	16-11-2018	Purchase	215000	0.23	1228360	1.31
	23-11-2018	Purchase	30000	0.03	1258360	1.34
	30-11-2018	Purchase	33000	0.04	1291360	1.37
	28-12-2018	Purchase	3000	0.00	1294360	1.38
	11-01-2019	Purchase	3000	0.00	1297360	1.38
	18-01-2019	Purchase	9000	0.01	1306360	1.39
	25-01-2019	Purchase	15000	0.02	1321360	1.40
	01-02-2019	Purchase	12000	0.01	1333360	1.42
08-03-2019	Sale	-21000	-0.02	1312360	1.40	
29-03-2019	Sale	-3755	0.00	1308605	1.39	
	At the end of the year (31-03-2019)	1308605	1.39			
2	<b>IIFL SPECIAL OPPORTUNITIES FUND</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b>	<b>Purchase / Sale</b>				
28-09-2018	Purchase	541051	0.58	541051	0.58	
	At the end of the year (31-03-2019)	541051	0.58			

S. No.	For each of the Top 10 Shareholders*	Shareholding		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
3	<b>IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b> <b>Purchase / Sale</b>					
	28-09-2018	Purchase	476335	0.51	476335	0.51
	At the end of the year (31-03-2019)	476335	0.51			
4	<b>IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b> <b>Purchase / Sale</b>					
	28-09-2018	Purchase	401317	0.43	401317	0.43
	"At the end of the year (31-03-2019)"	401317	0.43			
5	<b>IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b> <b>Purchase / Sale</b>					
	28-09-2018	Purchase	390692	0.42	390692	0.42
	At the end of the year (31-03-2019)	390692	0.42			
6	<b>IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b> <b>Purchase / Sale</b>					
	28-09-2018	Purchase	380440	0.40	380440	0.40
	At the end of the year (31-03-2019)	380440	0.40			

S. No.	For each of the Top 10 Shareholders*	Shareholding		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
7	<b>UNION MULTI CAP FUND</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b>	<b>Purchase / Sale</b>				
	30-11-2018	Purchase	113948	0.12	113948	0.12
	07-12-2018	Purchase	135757	0.14	249705	0.27
	14-12-2018	Purchase	40374	0.04	290079	0.31
	21-12-2018	Purchase	11182	0.01	301261	0.32
	04-01-2019	Sale	-36532	-0.04	264729.00	0.28
	08-02-2019	Purchase	5357	0.01	270086.00	0.29
	15-02-2019	Purchase	12203	0.01	282289.00	0.30
	22-02-2019	Purchase	15800	0.02	298089.00	0.32
	01-03-2019	Purchase	15158	0.02	313247.00	0.33
At the end of the year (31-03-2019)		313247.00	0.33			
8	<b>NOMURA SINGAPORE LIMITED</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	<b>Date</b>	<b>Purchase / Sale</b>				
	28-09-2018	Purchase	758241	0.81	758241	0.81
	05-10-2018	Sale	-63388	-0.07	694853	0.74
	12-10-2018	Sale	-16647	-0.02	678206	0.72
	19-10-2018	Purchase	9000	0.01	687206	0.73
	26-10-2018	Purchase	5000	0.01	692206	0.74
	09-11-2018	Purchase	12000	0.01	704206	0.75
	16-11-2018	Sale	-296009	-0.31	408197	0.43
	23-11-2018	Sale	-5608	-0.01	402589	0.43
	30-11-2018	Sale	-64964	-0.07	337625	0.36
21-12-2018	Sale	-50000	-0.05	287625	0.31	
18-01-2019	Purchase	-3923	0.00	283702	0.30	
08-03-2019	Sale	-30000	-0.03	253702	0.27	
At the end of the year (31-03-2019)		253702	0.27			

S. No.	For each of the Top 10 Shareholders*	Shareholding		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
9	<b>INDIAN RAILWAY FINANCE CORPORATION LIMITED</b>					
	At the beginning of the year (01-04-2018)	244000	0.25	244000	0.25	
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	Date	Purchase / Sale				
	NA	NA				
	At the end of the year (31-03-2019)	244000	0.25			
10	<b>HDFC TRUSTEE COMPANY LIMITED - HDFC INFRASTRUCTURE</b>					
	At the beginning of the year (01-04-2018)	0	0			
	<b>Date wise Increase/ (Decrease) in Promoters Shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>					
	Date	Purchase / Sale				
	12/10/2018	Purchase	200000	0.21	200000	0.21
	19/10/2018	Purchase	36000	0.04	236000	0.25
	At the end of the year (31-03-2019)	236000	0.25			

Note: For above report, status of shareholding is ascertained on weekly basis.

**E) Shareholding of Directors and Key Managerial Personnel (KMP):**

S. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Shri Sunil Kumar Chaudhary (Chairman and Managing Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
	At the end of the year (31-03-2019)	0	0		
<b>2</b>	<b>Shri Deepak Sabhlok (Director Projects)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
	At the end of the year (31-03-2019)	0	0		
<b>3</b>	<b>Shri Mukesh Kumar Singh (Director Finance and CFO)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
	At the end of the year (31-03-2019)	170	0.00018	170	0.00018
<b>4</b>	<b>Shri Yogesh Kumar Misra (Director Works) w.e.f. 28.12.2018)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
	At the end of the year (31-03-2019)	1110	0.00118	1110	0.00118
	<b>Date</b>	<b>Reason</b>			
	26/09/2018	Purchase through offer for sale			
	At the end of the year (31-03-2019)				



S. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	<b>Shri Rajiv Chaudhry (Government Nominee Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc) upto 20-09-2018*</b>	0	0		
6	<b>Shri S . C. Jain (Government Nominee Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc) upto 31-03-2019</b>	0	0		
7	<b>Shri Ved Pal (Government Nominee Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc) upto 30-09-2019**</b>	0	0		
8	<b>Shri Piyush Agarwal (Government Nominee Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc) upto 02.07.2018***</b>	0	0		
9	<b>Shri Sanjay Kumar Singh (Independent Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc) upto 02.07.2018***</b>	0	0		

S. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	<b>Shri Avineesh Matta (Independent Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
11	<b>Prof Vasudha Vasant Kamat (Independent Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
12	<b>Dr. C. B. Venkataramana (Independent Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
13	<b>Shri Narinder Singh Raina (Independent Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				
14	<b>Shri Ashok Kumar Ganju (Independent Director)</b>				
	At the beginning of the year (01-04-2018)	0	0		
	<b>Date wise Increase/ (Decrease) in shareholding during the year specifying the reasons for increase/ (decrease) (e.g. allotment/ transfer/ bonus/ sweat equity etc)</b>				

\* Shri Rajiv Chaudhry ceased to be Director w.e.f. 20th September 2018.

\*\* Shri Ved Pal ceased to be Director w.e.f. 30th September 2018.

\*\*\* Shri Sanjay Kumar Singh ceased to be Director w.e.f. 2nd July 2018.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

Secured Loans excluding deposits	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	32,000,000,000	-	32,000,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	30,755,068	-	30,755,068
<b>Total (i + ii + iii)</b>		<b>32,030,755,068</b>		<b>32,030,755,068</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	2,696,933,533	-	2,696,933,533
- Reduction	-	1,234,661,829	-	1,234,661,829
<b>Net Change</b>		<b>1,462,271,704</b>		<b>1,462,271,704</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	30,765,338,171	-	30,765,338,171
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,727,688,601	-	2,727,688,601
<b>Total (i + ii + iii)</b>		<b>33,493,026,772</b>		<b>33,493,026,772</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors, and / or Manager:

(In. Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		S.K. Chaudhary Chairman & Managing Director	Deepak Sabhlok Director (Projects)	Yogesh Kumar Misra, Director (Works) (w.e.f. 28.12.2018)	M.K. Singh, Director (Finance)	
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,785,324	4,083,004	923,018	3,635,341	12,426,687
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	672,075	862,687	137,697	658,905	2,331,364
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	631,542	854,280	-	727,286	2,213,108
	- Retirement Benefits	583,259	921,366	143,718	833,093	2,481,436
	<b>Total</b>	<b>5,672,200</b>	<b>6,721,337</b>	<b>1,204,433</b>	<b>5,854,625</b>	<b>19,452,595</b>
	<b>Total (A)</b>					<b>19,452,595</b>
	<b>Ceiling as per the Act - Not Applicable<sup>1</sup></b>					

B. Remuneration to other directors: (₹ In)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Avineesh Matta	Vasudha Vasant Karnat	Sanjay Kumar Singh (upto 02.07.2018)	C.B. Venkataramana	Narinder Singh Raina	Ashok Kumar Ganju	
1	Independent Directors							
a)	Fee for attending board/ committee meetings	324,000	212,000	36,000	356,000	70,000	396,000	1,394,000
b)	Commission	-	-	-	-	-	-	-
c)	Others (please specify)	-	-	-	-	-	-	-
	<b>Total (B1)</b>	<b>324,000</b>	<b>212,000</b>	<b>36,000</b>	<b>356,000</b>	<b>70,000</b>	<b>396,000</b>	<b>1,394,000</b>
2	Other Non-executive Directors							
a)	Fee for attending board/ committee meetings	Rajiv Chaudhry (upto 20.09.2018)	Ved Pal (upto 30.09.2018)	S.C. Jain (w.e.f. 24.10.2018)	S.C. Jain (w.e.f. 24.10.2018)	Piyush Agarwal (w.e.f.17.12.2018)		
b)	Commission							
c)	Others (please specify)							
	<b>Total (B2)</b>							
	<b>Total [B= B1 + B2]</b>							<b>1,394,000</b>
	<b>Total Managerial Remuneration [A + B]</b>							<b>20,846,595</b>
	<b>Overall ceiling as per the Act - Not Applicable<sup>1</sup></b>							

Nil

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

Sl. No.	Particulars of Remuneration	Ritu Arora Company Secretary	Total Amount
1	Gross salary		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,990,144	1,990,144
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	23,044	23,044
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	-	
	- Retirement Benefits	269,826	269,826
	<b>Total (C)</b>	<b>2,283,014</b>	<b>2,283,014</b>
	<b>Ceiling as per the Act - Not Applicable<sup>1</sup></b>		

\* CMD, IRCON, is deemed to be CEO of the Company; and DF, IRCON, is declared as CFO of the Company and their remuneration is mentioned in Sl. No. VI (A) above.

**Note:** 1. Section 197 of the Companies Act, 2013, is exempted for government companies in terms of notification dated 5th June 2015 of the Ministry of Corporate Affairs.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal if any (give Details)
<b>A. COMPANY</b>			--- NIL ---		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>			--- NIL ---		
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>			--- NIL ---		
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors  
Sd/-

**(S.K. Chaudhary)**  
Chairman & Managing Director  
(DIN: 00515672)

Place: New Delhi  
Date: 22<sup>nd</sup> July 2019

## FORM NO. AOC 2

Appendix - H

**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 third proviso thereto.**

[Pursuant to Section 134 (3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

- 1 Details of contracts or arrangements or transactions not at arm's length basis : NIL  
 2 Details of material contracts or arrangements or transactions at arm's length basis : As follows

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions, including the value, if any	Date of approval by the BoD, if any	Amount received/ paid as advances by IRCON, if any (Rs. in crores)
1	<b>Mahanadi Coal Railway Limited (MCRL)</b> A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings.*	<b>Date:</b> Project Execution Agreement dated 19.04.2016. <b>Duration:</b> Up to Commissioning of all identified project	IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	5.82
2	<b>Jharkhand Central Railway Limited (JCRL)</b> A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings.*	<b>Date:</b> Project Execution Agreement dated 28.03.2016. <b>Duration:</b> Up to Commissioning of all identified project.	IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	1.19
3	<b>Chattisgarh East Railway Limited (CERL)</b> A Joint Venture Company	Execution of East Corridor Rail Project in Chhattisgarh for CERL	Project Execution Agreement dated 18.01.2014. <b>Duration:</b> Till the Railway corridor becomes operational in line with the Concession Agreement.	The contract is in terms of the Concession Agreement signed by CERL with South Eastern Railways. IRCON would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	70.84
4	<b>Chhattisgarh East-West Railway Limited (CEWRL)</b> A Joint Venture Company	Execution of East-West Corridor Rail Project in Chhattisgarh for CEWRL	Project Execution Agreement dated 05.04.2014. <b>Duration:</b> Till the Railway corridor becomes operational in line with the Concession Agreement.	The contract is in terms of the Concession Agreement signed by CEWRL with South Eastern Railways. IRCON would be paid actual cost of work plus specified percentage of contract addition towards overheads and profit.	Not Applicable	32.05

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 BoD, if any	Amount received/ paid as advances by IRCON, if any (Rs. in crores)
5	<b>Bastar Railway Private Limited (BRPL)</b>  A Joint Venture Company	Work for preparation of feasibility report, Detailed Project Report, Design, and construction of identified project lines and Sidings.*	<b>Date:</b> Project Execution Agreement has been entered on 19.07.2017  <b>Duration:</b> Up to Commissioning of all identified project.	IRCON would be paid a percentage of cost of project for FR & DPR and actual cost of work plus specified percentage of contract addition towards overheads and profit for construction.	Not Applicable	NIL
6	<b>Indian Railway Stations Development Corporation Limited (IRSDC)</b>  A Joint Venture Company	Sub-Leasing of office premises at Palika Bhawan, Sector- XIII, R.K. Puram, New Delhi – 110066.	<b>Date:</b> Lease Agreement dated 22.11.2017. <b>Duration:</b> 11 months from 01.12.2017 to 31.10.2018	Lease Rent @ 5576.69 sq. ft X Rs.121.69 per sq ft chargeable on monthly basis Rs.6,78,632/- including GST as applicable.	Not Applicable	NIL
			<b>Date:</b> Lease Agreement dated 29.10.2018. <b>Duration:</b> 11 months from 01.11.2018 to 30.09.2019	Lease Rent @ 6192.99 sq. ft X Rs.135.28 per sq ft chargeable on monthly basis Rs.8,37,788/- including GST as applicable.		
7	<b>Ircon-Soma Tollway Private Limited (ISTPL)</b>  A Joint Venture Company	Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	<b>Date:</b> Lease Agreement dated 17.08.2017. <b>Duration :</b> 2 years from 01.04.2017.	Lease Rent @ 95.41 sq. ft X Rs.270 per sq ft chargeable on monthly basis Rs.25760.70/- considering charges for leased premises inside corporate office and increment of 10% on renewal.	Not Applicable	NIL
			<b>Date:</b> Lease Agreement dated 30.04.2019 (renewal). <b>Duration :</b> 2 years from 01.04.2019.	Lease Rent @ 95.41 sq. ft X Rs.297 per sq ft chargeable on monthly basis Rs.28,336.72/- plus GST considering charges for leased premises inside corporate office and increment of 10% on renewal.		
8	<b>Ircon Infrastructure &amp; Services Limited (IrconISL)</b>  A wholly owned subsidiary Company	a) Ircon ISL to provide manpower for Ircon's project in Malaysia	Agreement dated 1.04.2013  <b>Duration:</b> 2 years from the date of signing. [unless terminated by either party with prior 30 days written notice, this agreement will remain valid for 2 years. Unless either party so notifies the other of the termination of this agreement, it shall be renewed every 2 years]	The rates for provision of various categories of manpower stipulated in the Agreement are comparable with those charged by manpower supply agencies for international projects for similar type of manpower.	Not Applicable	NIL



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 BoD, if any	Amount received/ paid as advances by IRCON, if any (Rs. in crores)
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	<p><b>Date:</b> Lease Agreement dated 17.08.2017. <b>Duration :</b> 2 years from 01.04.2017</p> <p><b>Date:</b> Lease Agreement dated 30.04.2019 (renewal). <b>Duration :</b> 2 years from 01.04.2019.</p>	<p>Lease Rent @ 497.18 sq. ft X Rs.270 per sq ft chargeable on monthly basis Rs.1,34,238.60/- considering charges for leased premises inside corporate office and increment of 10% on renewal.</p> <p>Lease Rent @ 497.18 sq. ft X Rs.297 per sq ft chargeable on monthly basis Rs.1,47,662.46/- considering charges for leased premises inside corporate office and increment of 10% on renewal.</p>	Not Applicable	NIL
9	<p><b>Ircon Davanagere Haveri Highway Limited (IrconDHHL)</b> A wholly owned subsidiary Company.</p>	a) Engineering Procurement Construction (EPC) contract of Davanagere Haveri Highway Project for IrconDHHL	<p><b>Date:</b> EPC Agreement dated 04.01.2018 <b>Duration:</b> Completion period is 30 months from Appointed date or handing over of land by IrconDHHL whichever is later</p>	The contract has been awarded 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 for a total sum of Rs. 916.93 crores plus GST @12%	Not Applicable	73.17
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	<p><b>Date:</b> Lease Agreement dated 09.08.2018 <b>Duration:</b> 3 years w.e.f 15.05.2018</p>	<b>Rent:</b> Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		
10	<p><b>Ircon PB Tollway Limited (IrconPBTL)</b> A wholly owned subsidiary Company.</p>	a) Execution of four Addendums to EPC Agreement (These addendums would be forming part of original EPC agreement)	<p>EPC Agreement dated 19.01.2015 <b>Duration:</b> EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconPBTL, whichever is later.</p> <p>a) Addendum 1 entered on 12.06.2015 b) Addendum 2 entered on 29.03.2016 c) Addendum 3 entered on 05.08.2016 d) Addendum 4 entered on 06.07.2017 e) Addendum 5 entered on 05.04.2019.</p>	<p>Addendum No. 1,2,3,4 to EPC Agreements have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs. 646 crore.</p> <p>Addendum No. 5 to EPC Agreements has been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs.767.48 crore.</p>	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 BoD, if any	Amount received/ paid as advances by IRCON, if any (Rs. in crores)
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	<b>Date:</b> Lease Agreement dated 22.06.2018 <b>Duration:</b> 2 years w.e.f. 01.04.2018	<b>Rent:</b> Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		
11	<b>Ircon Shivpuri Guna Tollway Limited (IrconSGTL)</b> A wholly owned subsidiary Company.	a) Execution to two Addendums to EPC Agreement (These addendums would be forming part of original EPC agreement)	EPC Agreement dated 30.11.2015. <b>Duration:</b> EPC Work is 30 months from the appointed date intimated by NHAI or handing over of land by IrconSGTL.  a) Addendum 1 entered on 29.03.2016 b) Addendum 2 entered on 22.07.2016	Addendum No. 1,2 to the EPC Agreement have been executed for incorporation of revised payment schedule retaining the original total cost of the project of the value of Rs. 642 crore.	Not Applicable	NIL
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	<b>Date:</b> Lease Agreement dated 27.06.2018 <b>Duration:</b> 3 years w.e.f. 01.07.2018	<b>Rent:</b> Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		
12	<b>Ircon Vadodara Kim Expressway Limited (IrconVKEL)</b> A wholly owned subsidiary company	a) Engineering Procurement Construction (EPC) contract of Vadodara Kim Expressway project for IrconVKEL	<b>Date:</b> EPC Agreement dated 09.11.2018 <b>Duration:</b> Completion period is 730 days reckoned from Appointed Date	The contract has been awarded for construction of eight lane Vadodara Kim Expressway from 323 km to 355 km in the state of Gujarat on EPC basis for a total sum of Rs.1377.73 crores plus GST @12%	Not Applicable	0.76
		b) Leasing of office premises at C-4, District Centre, Saket, New Delhi – 110017.	<b>Date:</b> Lease Agreement dated 09.08.2018 <b>Duration:</b> 3 years w.e.f.17.05.2018	<b>Rent:</b> Lease Rent @ 65 sq. ft X Rs.297/- per sq ft chargeable on monthly basis Rs.19,305/- considering charges for leased premises inside corporate office and increment of 10% on renewal.		NIL

\* IRCON will be undertaking Feasibility Study and preparation for DPR for projects assigned to it rates 1% and 2% of project cost respectively.

**Note:** 1 All the above said transactions have been approved by the Audit Committee of IRCON

2 In addition to above transactions, an amount of Rs. 45 crore is lying against advance received from ISTPL towards arbitration claims.

For and on behalf of the Board of Directors  
Sd/-

**(S.K .Chaudhary)**

Chairman & Managing Director  
(DIN : 00515672)

Date: 22<sup>nd</sup> July 2019  
Place: New Delhi

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**  
[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, 2019**, 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, 2019**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (to the extent applicable);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the financial year under review];
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review]; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review];
- (vi) The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:
  - a) Building and other construction workers (Regulation of Employment and conditions of service) Central Rules, 1998
  - b) Electricity Act, 2003

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. In our opinion, there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We have also examined compliance with the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.
- iv. Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F No. 5/2/2016-Policy dated 27th May, 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above **except that**

1. ***The Company has not complied with the Provisions of Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors from 28.12.2018 to 31.03.2019. However, as informed by the management of the Company, the Independent Directors on the Board are appointed by the Govt. of India. The Company has already requested to the Ministry of Railways, Govt. of India for appointment of requisite number of Independent Directors on the Board. However, appointment of requisite number of Independent Directors is yet to be made.***
2. ***Provisions of Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to constitution of Audit Committee and Section 178 of the Companies Act, 2013 & Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to constitution of the Nomination and Remuneration Committee were not complied by the Company from 01.10.2018 to 21.10.2018. However, the Company reconstituted the Committees in the shortest possible period i.e. with effect from 22.10.2018.***

**We further report that**

- Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.
- As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The equity shares of the Company were disinvested by The President of India, acting through the Ministry of Railways, Government of India through an Initial Public Offering of 9,905,157 equity shares of face value of Rs. 10 each, by way of an offer for sale, for cash at a price of Rs. 475 per equity share including a share premium of Rs. 465 per equity share, aggregating to Rs.466.70 crore. A discount of Rs.10 per Equity Share on the Offer Price was offered to the Retail Individual Investors and Eligible Employee. The offer was made in terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations") and in accordance with Regulation 26(1) of the SEBI ICDR Regulations. The equity shares of Ircon International Limited, were listed and admitted to dealings on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from September 28, 2018.
2. The Board of Directors of the Company recommended a final dividend of Rs. 10.825 per share (108.25% of the paid-up equity share capital) for the financial year 2018-19, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The final dividend would be paid within 30 days from the date of its declaration at the AGM. This final dividend is in addition to the Interim Dividend of Rs.10.72 per share declared and paid in February 2019 for the financial year 2018-19. The total Dividend for the year would be Rs. 21.545 per equity share.
3. The Company has incorporated one wholly owned subsidiary- Ircon Vadodara Kim Expressway Limited during the Financial Year 2018-19.
4. Shri Sanjay Kumar Singh, Part-time (Non-Official) Director ceased to be the Director on the Board of the Company with effect from 02.07.2018 due to termination of tenure by the Ministry of Railways.
5. Shri Rajiv Chaudhary, Part-time (Official) Director ceased to be the Director on the Board of the Company with effect from

20.09.2018 due to change in nomination by the Ministry of Railways.

6. Shri Ved Pal, Part-time (Official) Director, ceased to be Director on the Board of the Company due to superannuation from the post of Additional Member (Planning), Ministry of Railways with effect from 30.09.2018.
7. Shri. S.C. Jain was appointed as Part-time (Official) Director on the Board of the Company with effect from 24.10.2018 in place of Shri Rajiv Chaudhry
8. Shri Piyush Agarwal was appointed as Part-time (Official) Director on the Board of the Company with effect from 17.12.2018 in place of Shri Ved Pal.
9. Shri Yogesh Kumar Misra was appointed as Director (Works) on the Board of the Company with effect from 28.12.2018.
10. Shri Avineesh Matta, Part-time (Non-Official) Director ceased to be the Director on the Board of the Company with effect from 31.03.2019 due to the completion of tenure of appointment.
11. Prof. Vasudha V. Kamat, Part-time (Non-Official) Director ceased to be the Director on the Board of the Company with effect from 31.03.2019 due to the completion of tenure of appointment.

**For Kumar Naresh Sinha & Associates**

Company Secretaries

Sd/-

**CS Naresh Kumar Sinha**

(Proprietor)

FCS: 1807

C P No.: 14984

Place: NOIDA  
Date:14.06.2019

Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report

**Annexure A**

To,

The Members

**IRCON INTERNATIONAL LIMITED**

**CIN: L45203DL1976GOI008171**

**Plot No. C-4, District Centre, Saket**

**New Delhi-110017**

Our Secretarial Audit Report for the financial year ended 31st March, 2019 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Kumar Naresh Sinha & Associates**

Company Secretaries

Sd/-

**CS Naresh Kumar Sinha**

(Proprietor)

FCS: 1807

C P No.: 14984

Place: NOIDA  
Date:14.06.2019

**Appendix-I1**

## Replies to the observations contained in the Secretarial Audit Report and compliance of conditions of Corporate Governance for the year 2018-19

Sl. No.	Observations	Management Reply
1.	<p>The Company has not complied with the Provisions of Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors from 28.12.2018 to 31.03.2019. However, as informed by the management of the Company, the Independent Directors on the Board are appointed by the Govt. of India. The Company has already requested to the Ministry of Railways, Govt. of India for appointment of requisite number of Independent Directors on the Board. However, appointment of requisite number of Independent Directors is yet to be made.</p>	<p>The Directors including Independent Directors in a Government Company are appointed by the Government of India. The Company has already requested to the Ministry of Railway, Government of India for appointment of requisite number of Independent Directors on the Board. The Company has no role to play for appointment of Independent Directors unless nominated by the Government.</p>
2.	<p>Provisions of Section 177 of the Companies Act, 2013 &amp; Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to constitution of Audit Committee and Section 178 of the Companies Act, 2013 &amp; Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to constitution of the Nomination and Remuneration Committee were not complied by the Company from 01.10.2018 to 21.10.2018. However, the Company reconstituted the Committees in the shortest possible period i.e. with effect from 22.10.2018.</p>	<p>Consequent upon the superannuation of Shri Ved Pal from the Ministry of Railways w.e.f. 30th September 2018 (AN) he ceased to be a member of the Board and Committees. Thus, the Committees of the Board viz. Audit Committee and Nomination and Remuneration Committee were reconstituted in the shortest possible period w.e.f. 22nd October 2018. Till that time no meeting of Audit Committee and Nomination and Remuneration Committee were held.</p>

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

Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director

(DIN: 00515672)

Date: 22nd July 2019

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 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.



## Replies to the comments in Auditor's Reports on Standalone Financial Statements.

Sl. No	Audit observations on Standalone Financial Statements	Management Reply
	<p>Auditor's Report (Under Emphasis of Matter)</p> <p>We draw attention to note No.48 to the Standalone IndAS Financial statements regarding non provision of Rs.6.23 crore towards foreign agency commission/ consultancy charges in respect of projects in three foreign countries pending assessment of performance.</p> <p><b>Annexure B to Auditors report (Under Internal Financial Control over Financial Reporting)</b></p>	<p>The position is explained in Note No.48 to the Standalone Financial Statements.</p>
(a)	<p>The Company has an integrated ERP system which was not used at its full potential. In the foreign projects the company has not used ERP system for the preparation of financial account instead software "Tally" was used for the same. Further, SAP project system Module (PS) is required to generate the project invoices with integration support.</p>	<p>Company is using SAP based ECC 6.0 solution (Finance-Controlling) for its Indian Projects. Financial accounts of foreign projects which have been prepared in "Tally" software has been entered in to SAP for compilation of accounts. ERP system has been updated and the financial statements of IRCON generated from SAP are in sync with the financial statements submitted to audit. During the year 2018-19, the company has implemented Business Object Module for Financial statements and it is linked with SAP ECC 6.0. Further, the Company is in the process of upgrading its existing SAP system.</p>
(b)	<p>The inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/non-moving/broken assets and materials/stores is inadequate and needs to be strengthened.</p>	<p>During the year the company has introduced an online maintenance of Stores data / records of all projects. The module facilitates daily transaction of stores so that the Store ledger are updated on real time basis. Any difference is identified and corrective measures are taken accordingly. The same is being followed by almost all projects except some closed projects. It shall be extended to all projects.</p> <p>There is already an existing system for identification of surplus/obsolete/non-moving/broken assets and materials/ stores. The same shall be further strengthened.</p>
(c)	<p>No maker checker system exists in some the projects of the /regions since the vouchers are prepared and approved by the same finance personnel, affecting efficiency of internal financial control system.</p> <p><b>(Under Emphasis of Matters)</b></p> <p>Few cases of reduction of bills by the clients and accepted by the projects without noting therein full reasons/justifications have been observed for which follow-up with clients needs to be improved.</p>	<p>Maker/checker system already exist in all major projects. The same shall be extended to cover all projects.</p> <p>A system involving close monitoring and proper record maintenance for reductions being effected by the client is in place in all major projects and has been extended to cover all projects.</p>

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

Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director

(DIN: 00515672)

Date: 25<sup>th</sup> June 2019

Place: New Delhi

## Replies to the comments in Auditor's Reports on Consolidated Financial Statements.

Sl. No	Audit observations on Consolidated Financial Statements	Management Reply
	<p>We draw attention to note No.50 to the Standalone IndAS Financial statements regarding non provision of Rs.6.,23 crore towards foreign agency commission/consultancy charges in respect of projects in three foreign countries pending assessment of performance.</p> <p>Annexure B to Auditors report (Under Internal Financial Control over Financial Reporting)</p>	<p>The position is explained in Note No.50 to the Standalone Financial Statements.</p>
(a)	<p>The holding Company has an integrated ERP system which was not used at its full potential. In the foreign projects the company has not used ERP system for the preparation of financial account instead software "Tally" was used for the same. Further, SAP project system Module (PS) is required to generate the project invoices with integration support.</p>	<p>The holding Company is using SAP based ECC 6.0 solution (Finance-Controlling) for its Indian Projects. Financial accounts of foreign projects which have been prepared in "Tally" software has been entered in to SAP for compilation of accounts. ERP system has been updated and the financial statements of the holding Company generated from SAP are in sync with the financial statements submitted to audit. During the year 2018-19, the holding company has implemented Business Object Module for Financial statements and it is linked with SAP ECC 6.0. Further, the holding Company is in the process of upgrading its existing SAP system.</p>
(b)	<p>The inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/non-moving/broken assets and materials/stores is inadequate and needs to be strengthened.</p>	<p>During the year the company has introduced an online maintenance of Stores data / records of all projects. The module facilitates daily transaction of stores so that the Store ledger are updated on real time basis. Any difference is identified and corrective measures are taken accordingly. The same is being followed by almost all projects except some closed projects. It shall be extended to all projects.</p> <p>There is already an existing system for identification of surplus/obsolete/non-moving/broken assets and materials/stores. The same shall be further strengthened.</p>
(c)	<p>No maker checker system exists in some the projects of the /regions since the vouchers are prepared and approved by the same finance personnel, effecting efficiency of internal financial control system.</p> <p><b>(Under Emphasis of Matters)</b></p> <p>Few cases of reduction of bills by the clients and accepted by the projects without noting therein full reasons/justifications have been observed for which follow-up with clients needs to be improved.</p>	<p>Maker/checker system already exist in all major projects. The same shall be extended to cover all projects.</p> <p>A system involving close monitoring and proper record maintenance for reductions being effected by the client is in place in all major projects and has been extended to cover all projects.</p>

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

Sd/-

**(S.K. Chaudhary)**

Chairman & Managing Director

(DIN: 00515672)

Date: 25<sup>th</sup> June 2019

Place: New Delhi



**STANDALONE**  
**Financial Statements**  
**2018-19**

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF IRCON INTERNATIONAL LIMITED

**Report on the Audit of the Standalone Ind AS Financial Statements**
**Opinion**

We have audited the standalone Ind AS financial statements of IRCON INTERNATIONAL LIMITED (‘the company’) which comprise the Balance Sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by branch auditors of the Company’s branches at Northern Region, J&K region, Eastern Region, Patna Region, Mumbai Region, South Africa, Algeria, Bangladesh, Sri-Lanka & Malaysia Region.

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, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs)

specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note No. 48 to the standalone Ind AS financial statements regarding non-provision of Rs.6.23 crores towards foreign agency commission/consultancy charges in respect of projects in three foreign countries pending assessment of the performance.

Our report is not qualified in respect of the above matters.

**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

Key Audit Matter	How our audit addressed the matter
<p><b>a) Revenue Recognition in terms of Ind AS 115 “Revenue from Contracts with Customers”</b></p> <p>This is a newly applicable 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.</p> <p>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.</p> <p>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</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 design of internal controls relating to implementation of the new revenue accounting standard.</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.</p> <p>We also examined costs included within WIP balances on a sample basis and tested their recoverability through comparing the net realizable values as per the agreements with estimated cost to complete.</p> <p>We performed following substantive procedures over revenue recognition with specific focus on whether there is single performance obligation or multiple performance obligations in the contract and whether the performance obligation is being satisfied over the period of time or at a point in time:</p> <ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that</li> </ul>

Key Audit Matter	How our audit addressed the matter
<p>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. In addition, the new standard results into the change in accounting policy related to revenue recognition and requires extensive disclosures.</p> <p>For details refer Note 44 to the Standalone Ind AS Financial Statements.</p>	<p>identified and recorded by the Company.</p> <ul style="list-style-type: none"> <li>• Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations.</li> <li>• Checked whether the performance obligation is being satisfied over the period of time or at a point in time</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed.</li> </ul>
<p><b>b) System Environment and internal Controls</b></p> <p>The Company is having SAP system in place but for the foreign projects they are using the Tally system for preparing the financial statement of the foreign projects.</p> <p>FI-CO module is working since 2012-13 with its limited functionalities with no integration support from any other system like payroll, inventory etc. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process.</li> <li>• Testing the design of the key IT controls relating to financial reporting systems of the company.</li> <li>• We also tested the company's controls around system interfaces, and the transfer of data from one system to another.</li> <li>• We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.</li> </ul>
<p><b>c) Evaluation of possible outcome of disputed Income Tax cases</b></p> <p>The Company has following matters under litigation for Income tax. These matters involve significant management judgement to determine the possible outcome of disputes.</p> <p>i. The Company has made provision for tax without considering the deduction under Section 80 IA of Income Tax Act, 1961. However, the ITAT has disposed pending appeal for FY 2000-01 allowing deduction u/s 80 IA and subsequently CIT(A) has allowed deduction for AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15. The matters for other assessment years are contested by the company with the concerned authorities.</p> <p>ii. The Company is offering global income for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India. CIT (A) denied the treatment of excluding such foreign income. Accordingly, the company has subsequently paid taxes, however the matter is contested by the company with the concerned authorities.</p> <p>For details refer Notes No. 33 of the Standalone Ind AS financial statements.</p>	<p>We have discussed with the management for evaluation of possible outcome of disputed Income Tax cases.</p> <p>We obtained details of completed income tax assessments during the year ended March 31, 2019 from the management.</p> <p>Our internal experts also considered legal precedence and other rulings in evaluating management's position on these Income tax cases under litigation.</p> <p>Additionally, we considered the effect of new information in respect of these disputed cases to evaluate whether any change was required to management's position on these uncertainties.</p> <p>As explained by management and evaluated by us,</p> <ol style="list-style-type: none"> <li>i. the deduction u/s 80 IA has been allowed by CIT (A) for some of the assessment years in favour of the company. Provisions are continued to be retained in books on conservative principle or shown in contingent liability.</li> <li>ii. Company has recognized tax expenses as per tax credit approach. There would neither be future outflow of funds nor any charge on profit in case appeal is decided against the company. Further, at present there are no major foreign projects and consequently quantum of tax on account of this issue is not material.</li> </ol>

### **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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- i) We did not audit the financial statements/information of Ten branches included in the Standalone Ind AS financial statements of the Company whose financial statements/financial information reflect Total Assets of Rs. 6,505.22 Crores (Previous Year Rs.6287.24 Crores) as at 31st March 2019, Total Revenues of Rs.4335.59 Crores (Previous Year Rs. 3792.05 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.
- ii) The Standalone Ind AS financial statements include Rs.3.39 Crores (Previous Year Rs.16.90 Crores) profit (net), the Company's share in four integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants.

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5th June, 2015, issued by the Central Government of India.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 29 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.16.3 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.
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:

Sl. No	Directions	Auditor's Replies
(i)	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has SAP / Tally system to process all the accounting transactions. For details refer Key Audit Matter on "System environment and internal controls" and our opinion on Internal Financial Control as per Annexure B of Independent Audit Report.

Sl. No	Directions	Auditor's Replies
(ii)	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No, Company is having no case of any restructuring of an existing loan or cases of waiver/ write off of debts/ loans /interest etc. made by a lender to the company due to the company's inability to repay the loan
(iii)	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and as per our examination of records, no funds have been received/receivable for any specific schemes from central/ state agencies during the financial year 2018-19.

Place: New Delhi  
Date: 28th May 2019

**For K. G. Somani & Co.**  
Chartered Accountants  
Firm Registration No: 06591N  
Sd/-  
**(Bhuvnesh Maheshwari)**  
Partner  
Membership No: 088155



**“Annexure A” to the Independent Auditors’ Report of even date on the  
Standalone Ind AS Financial Statements of Company for the year ended  
31st March, 2019**

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. In Mumbai Region, Tagging/ Numbering to be done on certain assets and assets with third parties needs to be confirmed. In Northern Region, fixed assets records do not give full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.
- c) The title deeds of immovable properties are held in the name of the Company, except lease hold building at San Martin Marg, New Delhi, Pali Hill, Mumbai and Metro Railway Central Station Building, Kolkata. Documents for the same are yet to be executed.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on comparison of physical verification with book records were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanation given to us by the management and records produced, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security; the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. According to the information and explanations given to us, and as per our examination of records, the Company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable.
- vi. The Company has maintained cost records as required under section 148(1) of the Companies Act, 2013. However, we are neither required to carry out, nor have carried out any detailed examination of such accounts and records.
- vii. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, sales tax, service-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 31.03.2019 for a period of more than six months from the date the same become payable.
- b. According to information and explanation given to us, and as per our examination of records of the Company, following are the particulars of dues on account of sales tax, GST, service tax, entry tax, trade tax, income tax, duty of customs, royalty, provident fund, duty of excise and cess matters that have not been deposited on account of dispute as on 31.3.2019

Sr No	Name of the statute	Name of Disputed Dues	Amount Outstanding (Rs. In Crores)	Period	Forum where dispute is pending
1	Uttar Pradesh VAT Act, 2008	Demand Raised for Sales Tax	0.08	1982-83 & 1989 - 90	Appellate Authority, Jhansi
2	Bihar Sales Tax 1981	Sales Tax	1.75	1987-88 and 1994-95	Bihar Sales Tax Tribunal, Khalgaon
3	Sales Tax	Sales Tax 1995-96 MRO	1.99	1995-96	Bombay High Court
4	Sales Tax	Sales Tax 1996-97 MRO	1.52	1996-97	Bombay High Court
5	West Bengal State Sales Tax Act 1994	Sales Tax	0.26	1998-99	Sr. Jt Commissioner (Appeals), Sales Tax, West Bengal
6	Central Excise Act, 1944	Levy of Excise Duty on Bracket/Cantilever Assemblies	0.66	1998-99	CESTAT (Dept. Appeal)
7	Sales Tax	J&K GST ACT 1962	19.33	1999-00 TO 2005-06	J&K High Court, Deputy Commissioner Commercial Sales tax (apeals) Srinagar
8	Odisha VAT Act 2004	VAT	1.09	2002-03	Comm of Sales Tax, Odisha
9	Sales Tax	Sales Tax 2003-04-Godhra	5.47	2003-04 -2005-06	Dy. Commissioner Sales Tax authority Vadodara

10	West Bengal VAT Act 2003	VAT	0.71	2004-05	Asst. Comm. Of Sales Tax College St. Charge, Kolkata
11	Sales Tax	UP TRADE TAX - UP 01	3.74	2004-05 to 2007-08	The Assessing Authority
12	Entry Tax	UP TRADE TAX - UP 01	0.15	2004-05	The Assessing Authority
13	Bihar VAT Act	VAT TDS	5.98	2005-06 & 2006-07	Bihar VAT Department, West Circle Patna
14	West Bengal VAT Act 2003	VAT	0.31	2005-06	WB Commercial Taxes Appellate & Revisional Board
15	Sales Tax	UPVAT-UP-05	0.01	2005-06	High Court Allahabad
16	West Bengal VAT Act 2003	VAT	0.54	2006-07	Jt Commisioner Commercial Taxes, Dharamtala Circle
17	Sales Tax	UPVAT-UP-05	1.31	2006-07 to 2007-08	Tribunal Jhansi Bench
18	Sales Tax Rewari - Ajmer Project	Works Contract Tax	1.84	2006-07 to 2010 - 11	High Court Rajasthan
19	DMRC Sys -II	Demand Raised	1.19	2006-07	VAT Tribunal Chandigarh
20	Sales Tax	Sales Tax-AGRP	2.28	2007-08 to 2012-13	The Additional Commissioner, Commercial Taxes, Ghaziabad
21	Sales Tax	UPTT-UP-01 ( Entry Tax)	0.16	2007 -08	The Assessing Authority
22	Sales Tax	UPVAT ACT-UP-01	1.36	2007 - 08 (1.01.2008 - 31-03-2008)	The Assessing Authority
23	Sales Tax	UPVAT-UP-05	3.26	2007-08 to 2009-10	Tribunal Jhansi Bench
24	Sales Tax	Entry Tax-AGRP	0.037	2008-09 to 2010-11 & 2012-13 to 2013-14	The Additional Commissioner, Commercial Taxes, Ghaziabad
25	Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.147	2008-09	The Appealate Authority
26	VAT	Demand Raised	12.51	2008-09 to 2015-16	Deputy Commissioner Lucknow
27	Karnataka VAT	Difference in rate of Tax and levy of Interest	0.5	2009-10	Deputy Commisioner (Appeals) Trivandrum
28	Service Tax	Service Tax on Agency Fees	5.6	2009-10 to 2013-14	CESTAT
29	Sales Tax	UPVAT ACT-UP-01 (Entry Tax)	0.005	2009-10	The Appealate Authority
30	Sales Tax	Sales Tax-BE-08 Entry Tax	0.02	2009-10	The Additional Commissioner,Appeal Noida
31	Sales Tax	Sales Tax 2010-11 MRO	0.29	2010-11	Sales Tax Office Mumbai
32	Service Tax	Service Tax on Agency Fees	12.91	2010-11 to 2014-15	CESTAT
33	Bihar VAT Act	VAT	0.07	2010-11	Bihar VAT Department, West Circle Patna
34	Sales Tax	UPVAT ACT-UP-01	0.01	2010 - 11	The Deputy Commisioner
35	Sales Tax	Sales Tax GED, GOA	0.54	2010-11 to 2014-15	Asst Commercial Tax Officer, Margao
36	Entry Tax	Demand Raised	0.32	2010- 11 to 2013-14	Deputy Commissioner Lucknow
37	Sales Tax	Sales Tax 2011-12 MRO	3.68	2011-12	Sales Tax Office Mumbai
38	Bihar VAT Act	Sales Tax 2011-12 MRO	29.2	2012-13	Bihar VAT Department, West Circle Patna
39	Kerela VAT	Kerela VAT	0.33	2013-14	Asst Commisioner Commercial Tax
40	Sales Tax	UPVAT-UP-05	2.31	2013-14 to 2014-15	Dy. Commissioner Sales Tax authority,Orai

- viii. The Company has not defaulted in the repayment of loans or borrowings to any financial institution, banks, Government during the year. The company did not issue any debenture during the year.
- ix. The Company has not made any public offer (including debts instruments) during the year. However, consequent upon Govt. of India (GOI) decision to disinvest, 99,05,157 shares of the company were allotted to public on 26th September 2018 and shares of the company listed on NSE & BSE on 28th September 2018. This IPO was for disinvestment of shares held by Government of India so, Company's Share Capital is not affected. The proceeds of the disinvestment have been realized by Govt. of India (GOI). Refer Note 13 of Standalone Financial Statement.
- As informed to us term loans were applied for the purposes for which those were raised. However, no fresh term loan has been raised during the year.
- x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In view of the Government Notification No. GSR 463 (E) dated 5th June, 2015, government companies are exempt from the applicability of section 197 of the Companies Act, 2013. Accordingly, clause 3(xi) of the order is not applicable to the Company.
- xii. The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him, within the provisions of section 192 of the Companies Act, 2013.
- xvi. The Company is not a Non-banking finance company, hence registration under section 45-IA of the Reserve Bank of India Act, 1934 does not arise.

**For K. G. Somani & Co.**

Chartered Accountants

Firm Registration No: 06591N

**(Bhuvnesh Maheshwari)**

Partner

Membership No: 088155

Place: New Delhi

Date: 28th May 2019

## **“Annexure B” to the Independent Auditors’ Report of even date on the Standalone Ind AS Financial Statements of Ircan International Limited for the year ended 31st March, 2019**

### **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 Ircan International Limited “the Company” as of March 31, 2019 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.

#### **Qualified Opinion**

*According to the information and explanations given to us and based on our audit and branch auditor’s audit report, the following material weaknesses have been identified as at March 31, 2019.*

(a) *The Company has an integrated ERP system which was not used at its full potential. In the foreign projects the company has not used ERP system for the preparation of financial accounts instead software “Tally” was used for the same. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.*

(b) *The Inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/non-moving/ broken assets and material/stores is inadequate and needs to be strengthened.*

(c) *No maker checker system exists at some of the projects of the Region since the vouchers are prepared and approved by the same finance personnel, affecting efficiency of internal financial control system.*

A material weakness’ is a deficiency, or a combination of deficiencies in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, 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, 2019, “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”.

**Emphasis of Matter**

Few cases of reduction of bills by the client and accepted by the project without noting therein full reasons/justifications have been observed for which follow up with client needs to be improved.

Our opinion is not modified in report of this matter.

**Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a branches/Region, is based on the corresponding report of other auditors.

We have considered the material weakness identified 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, 2019 and this material weakness does not affect our opinion on the Standalone financial statement of the company.

**For K. G. Somani & Co.**  
Chartered Accountants  
Firm Registration No: 06591N

**(Bhuvnesh Maheshwari)**

Partner

Membership No: 088155

Place: New Delhi

Date: 28th May 2019

**IRCON INTERNATIONAL LIMITED**  
**BALANCE SHEET**  
**As at 31st March 2019**

(₹ in crore)

	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I.</b>	<b>ASSETS</b>			
1	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	128.19	133.58
	(b) Capital Work-in-Progress	4	48.06	0.98
	(c) Investment Property	5	477.61	358.67
	(d) Intangible Assets	6	0.90	0.83
	(e) Financial Assets	7		
	(i) Investments	7.1	1,214.50	984.52
	(ii) Loans	7.2	995.81	806.34
	(iii) Others	7.3	2,707.64	2,729.41
	(f) Deferred Tax Assets (Net)	8	144.62	150.88
	(g) Other Non-Current Assets	9	155.91	141.07
	<b>Total Non-Current Assets</b>		<b>5,873.24</b>	<b>5,306.28</b>
2	<b>Current Assets</b>			
	(a) Inventories	10	331.94	140.74
	(b) Financial Assets	11		
	(i) Investments	11.1	99.73	216.17
	(ii) Trade Receivables	11.2	505.14	667.19
	(iii) Cash and Cash Equivalents	11.3	875.24	1,525.73
	(iv) Other Bank Balances	11.4	2,057.50	3,074.77
	(v) Loans	11.5	74.94	1.87
	(vi) Others	11.6	1,617.88	740.04
	(c) Current Tax Assets (Net)	12	31.97	29.13
	(d) Other Current Assets	12.1	1,501.86	998.68
	<b>Total Current Assets</b>		<b>7,096.20</b>	<b>7,394.32</b>
	<b>Total Assets</b>		<b>12,969.44</b>	<b>12,700.60</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity Share Capital	13	94.05	94.05
	(b) Other Equity	14	3,855.49	3,657.39
	<b>Total Equity</b>		<b>3,949.54</b>	<b>3,751.44</b>

<b>2</b>	<b>Liabilities</b>			
<b>(i)</b>	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities	15		
	(i) Borrowings	15.1	2,560.00	3,200.00
	(ii) Trade Payables	15.2		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
	- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		-	0.46
	(iii) Other Financial Liabilities	15.3	341.00	389.93
	(b) Provisions	16	79.77	75.28
	(c) Other Non-Current Liabilities	17	678.58	818.07
	<b>Total Non-Current Liabilities</b>		<b>3,659.35</b>	<b>4,483.74</b>
<b>(ii)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities	18		
	(i) Trade Payables	18.1		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		17.04	5.67
	- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises		531.56	507.37
	(ii) Other Financial Liabilities	18.2	2,294.19	1,108.38
	(b) Other Current Liabilities	19	2,266.58	2,564.55
	(c) Provisions	16	242.58	265.32
	(d) Current Tax Liability (Net)	19.1	8.60	14.13
	<b>Total Current Liabilities</b>		<b>5,360.55</b>	<b>4,465.42</b>
	<b>Total Equity and Liabilities</b>		<b>12,969.44</b>	<b>12,700.60</b>
III.	Summary of Significant Accounting Policies	1 - 2		
IV.	Notes forming part of Financial Statements	3 - 53		

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

## STATEMENT OF PROFIT AND LOSS

For The Year Ended On 31<sup>st</sup> March 2019

(in ₹. crore)

	Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>I.</b>	<b>Revenue :</b>			
	Revenue from operations	20	4,408.24	3,864.30
	Add :- Company's share of turnover in Integrated Joint operations (unincorporated)		6.86	26.34
			4,415.10	3,890.64
<b>II.</b>	Other income	21	264.44	230.80
<b>III.</b>	<b>Total Income (I + II)</b>		<b>4,679.54</b>	<b>4,121.44</b>
<b>IV.</b>	<b>Expenses:</b>			
	Materials and Stores Consumed	22 (i)	390.69	349.29
	(Increase) / Decrease in WIP	22 (ii)	(169.37)	(10.56)
	Project Expenses	22 (iii)	3,512.15	2,890.57
	Employee Benefits Expenses	23	250.70	232.75
	Finance Costs	24	15.57	64.80
	Depreciation, Amortisation and Impairment	25	11.70	12.86
	Other Expenses	22 (iii)	49.45	41.94
	Proportionate share of expenses in Integrated Joint operations (unincorporated)		3.47	9.44
	<b>Total Expenses (IV)</b>		<b>4,064.36</b>	<b>3,591.09</b>
<b>V.</b>	Profit Before exceptional items and Tax (III - IV)		615.18	530.35
<b>VI.</b>	Exceptional items		-	-
<b>VII.</b>	Profit before tax (V + VI)		615.18	530.35
<b>VIII.</b>	Tax expenses:			
	(1) Current tax	8		
	- For the Period		215.13	174.78
	- For earlier years (net)		(50.89)	(42.50)
	(2) Deferred tax (net)		6.26	10.17
	Total Tax Expense		170.50	142.45
<b>IX</b>	<b>Profit for the year from continuing operation (VII - VIII)</b>		<b>444.68</b>	<b>387.90</b>
<b>X</b>	<b>Other Comprehensive Income</b>	26		
	<b>A. (i)</b> Items that will not be reclassified to profit or loss		1.97	(2.75)
	<b>(ii)</b> Income Tax relating to Items that will not be reclassified to profit or loss		(0.69)	0.95
	<b>B. (i)</b> Items that will be reclassified to profit or loss		(13.94)	4.86
	<b>(ii)</b> Income Tax relating to Items that will be reclassified to profit or loss		4.87	(1.68)
			(7.79)	1.38
<b>XI</b>	<b>Total Comprehensive Income for the year (IX + X) (Comprising profit and other comprehensive income for the year, net of tax)</b>		<b>436.89</b>	<b>389.28</b>
<b>XII</b>	Earnings Per Equity Share: (For Continuing Operation)			
	(1) Basic	47	47.28	39.70
	(2) Diluted		47.28	39.70
<b>XIII</b>	Summary of Significant Accounting Policies	1 - 2		
<b>XIV</b>	Notes forming part of Financial Statements	3 - 53		

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672



## CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2019

(in ₹. crore)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Profit before taxation</b>		615.18	530.35
<b>Adjustment for :</b>			
Exchange difference on translation of Foreign Operations		(13.94)	4.86
Actuarial gain / (loss) on remeasurement of defined benefit plan		1.97	(2.75)
Interest on unwinding of financial instruments (Net)		(0.38)	41.51
Amortisation of financial instruments (Net)		0.39	(41.16)
Unwinding of discount on provisions		2.08	1.81
Depreciation, amortization and impairment		11.70	12.86
Profit on sale of assets (net)		(14.43)	(3.98)
Interest Income		(215.17)	(179.85)
Dividend Income		(9.64)	(14.01)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		2.48	(1.30)
<b>Operating Profit before working capital changes</b>	<b>(1)</b>	<b>380.24</b>	<b>348.34</b>
<b>Adjustment for :</b>			
Decrease/(Increase) in Trade Receivables/ Financial Assets - Loans		162.27	(242.02)
Decrease / (Increase) in Inventories		(191.20)	(1.40)
Decrease / (Increase) in Other Assets & Financial Assets		(1,406.50)	(2,961.82)
(Decrease) / Increase in Trade Payables		35.55	149.29
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		(182.63)	143.03
	<b>(2)</b>	<b>(1,582.51)</b>	<b>(2,912.92)</b>
<b>Cash generated from operation</b>	<b>(1+2)</b>	<b>(1,202.27)</b>	<b>(2,564.58)</b>
Income Tax Paid		(93.39)	(48.70)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>(1,295.66)</b>	<b>(2,613.28)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment including CWIP		(56.18)	(9.71)
Purchase of Intangible Assets		(0.51)	(0.08)
Purchase / Proceeds of Investment Property		(118.98)	(51.38)
Sale of Property, Plant and Equipments & Intangible Assets		18.09	7.75
Exchange Gain/ Loss on Property, Plant and Equipment		(0.39)	(3.89)
Investments in Mutual Funds		116.44	33.74
Loan to Subsidiaries & Joint Ventures		(262.77)	(524.02)
Repayment of Loan from Subsidiaries & Joint Ventures		-	139.92
Interest Received		247.55	222.57
Dividend Received		9.64	14.01
Investment in Equity Shares		(229.95)	(11.35)
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)		1,017.27	188.06
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>740.21</b>	<b>5.62</b>

(in ₹. crore)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan From Indian Railway Finance Corporation		146.23	3,203.08
Final Dividend ( including Dividend Distribution Tax) paid		(117.24)	(117.05)
Interim Dividend ( including Dividend Distribution Tax) paid		(121.55)	(114.52)
Adjustment of Prior Period Income in Retained Earnings		-	2.44
Payment of Fee for increase in Authorised Capital		-	(1.99)
Payment to DIPAM for Buy Back of Shares		-	(234.57)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(92.56)</b>	<b>2,737.39</b>
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	(2.48)	1.30
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A+B+C+D)</b>	<b>(650.49)</b>	<b>131.03</b>
<b>CASH AND CASH EQUIVALENTS (OPENING) *</b>	<b>(E)</b>	<b>1,525.73</b>	<b>1,394.70</b>
<b>CASH AND CASH EQUIVALENTS (CLOSING) *</b>	<b>(F)</b>	<b>875.24</b>	<b>1,525.73</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(F - E)</b>	<b>(650.49)</b>	<b>131.03</b>

Note : 1. The above Cash flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.

2. Figures in brackets represent outflow of cash.

3. Figures of the previous year have been regrouped / recasted / restated wherever necessary.

\* Cash and Cash Equivalents as on 31 March 2019 Includes Rs. Nil (31 March 2018 : Rs. 593.55 crore) earmarked for expenses for project site at Bandra (East).

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-

**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-

**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-

**Ritu Arora**  
Company Secretary  
FCS No. 5270

## STATEMENT OF CHANGES IN EQUITY

as at 31<sup>st</sup> March 2018

(in ₹. crore)

### A. Equity share capital

Balance as at April 01, 2017	Shares buy back during the year	Balance as at March 31, 2018
98.98	(4.93)	94.05

### B. Other Equity

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
<b>Balance as at April 01, 2017</b>	<b>3,333.71</b>	<b>389.59</b>	-	<b>5.57</b>	<b>3,728.87</b>
Changes in accounting policy or prior period errors	-	2.44	-	-	2.44
<b>Restated balance at the beginning of the reporting period</b>	<b>3,333.71</b>	<b>392.03</b>	-	<b>5.57</b>	<b>3,731.31</b>
Profit for the year (Restated)	-	387.90	-	-	387.90
<b>Other Comprehensive Income</b>					
Remeasurment of Defined Benefit Plans	-	(1.80)	-	-	(1.80)
Foreign Exchange translation difference	-	-	-	3.18	3.18
<b>Total Comprehensive Income for the year</b>	-	<b>386.10</b>	-	<b>3.18</b>	<b>389.28</b>
Buy Back of Equity Shares	-	-	4.93	-	4.93
Payment of Fee for increase in Authorised Capital	-	(1.99)	-	-	(1.99)
Payment for Buy Back of Shares	-	(234.57)	-	-	(234.57)
Dividends Paid	-	(192.40)	-	-	(192.40)
Dividend Distribution Tax	-	(39.17)	-	-	(39.17)
<b>Balance as at March 31, 2018</b>	<b>3,333.71</b>	<b>310.00</b>	<b>4.93</b>	<b>8.75</b>	<b>3,657.39</b>

#### As per our Report of even date attached

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

#### For and on behalf of Board of Directors

Sd/-

**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-

**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-

**Ritu Arora**  
Company Secretary  
FCS No. 5270

**STATEMENT OF CHANGES IN EQUITY**

 as at 31<sup>st</sup> March 2019

(Rs. in crore)

A. Equity share capital	Balance as at April 01, 2018	Shares buy back during the year	Balance as at March 31, 2019
	94.05	-	94.05

**B. Other Equity**

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
<b>Balance as at April 01, 2018</b>	<b>3,333.71</b>	<b>310.51</b>	<b>4.93</b>	<b>8.75</b>	<b>3,657.90</b>
Changes in accounting policy or prior period errors	-	(0.51)	-	-	(0.51)
<b>Restated balance at the beginning of the reporting period</b>	<b>3,333.71</b>	<b>310.00</b>	<b>4.93</b>	<b>8.75</b>	<b>3,657.39</b>
Profit for the year	-	444.68	-	-	444.68
<b>Other Comprehensive Income</b>					
Remeasurement of Defined Benefit Plans	-	1.28	-	-	1.28
Foreign Exchange translation difference	-	-	-	(9.07)	(9.07)
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>445.96</b>	<b>-</b>	<b>(9.07)</b>	<b>436.89</b>
Dividends Paid	-	(198.07)	-	-	(198.07)
Dividend Distribution Tax	-	(40.72)	-	-	(40.72)
<b>Balance as at March 31, 2019</b>	<b>3,333.71</b>	<b>517.17</b>	<b>4.93</b>	<b>(0.32)</b>	<b>3,855.49</b>

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 1. Corporate Information

Ironcon International Limited is a public sector construction company 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.

The Standalone financial statements were authorized for issue in accordance with a resolution of the Board of directors on dated 28th May, 2019.

### 2. Significant Accounting Policy under Ind AS (Standalone)

#### (i). Basis of Preparation

##### a) Statement of Compliance

The Standalone financial statements as at and for year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended.

##### b) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- i. Defined benefit Plan and other long term employee benefits
- ii. Certain financial assets and liabilities measured at fair value.
- iii. Provisions as per para (x) (D) below, where time value of money is material.

##### c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenue and expenses. Actual results may differ from these estimates.

#### Key accounting estimates:

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Provisions** – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Revenue**- The Company recognizes revenue for a performance obligation satisfied over time after reasonably 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 and they are probable and are capable of being reasonably measured. For the purpose of making estimates for claims, the company used the available contractual and historical information.

**Property, plant and Equipment** – Property, plant and Equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialize.

**d)** All financial information presented in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

#### (ii). Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### (iii). Foreign Currency Transactions

##### Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. (i.e. Functional Currency). The financial statements are presented in Indian rupees, which is the presentation as well as Functional currency of company.

#### (a) Transactions of Indian operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles, investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.
- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing closing selling rates for Liabilities and closing buying rate for Assets, at each reporting date.
- iv. Foreign Exchange Gains or Losses in respect of above transactions are recognized in Statement of profit and loss.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### (b) Transactions of Foreign operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles, investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.
- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing closing selling rates for Liabilities and closing buying rate for Assets, at each reporting date.
- iv. Foreign Exchange Gain or Losses in respect of above transactions are recognized in Statement of profit and loss.

The result and financial position of foreign operation that have a functional currency different from the presentation currency are translated in to presentation currency as follows.

- i. Assets/Liabilities - Closing selling rates for Liabilities and closing buying rate for Assets on the reporting date.
- ii. Income/Expenses – Average exchange rate during the year.
- iii. Exchange differences on translation of functional currency to presentation currency are – recognised in OCI (Other comprehensive income)
- iv. On disposal of Foreign Operation (on realization of complete receivables from client) transfer the component of OCI (Other comprehensive income) to profit or loss relating to respective foreign operation.

### (iv). Property, plant and equipment

1. Freehold land is carried at historical cost. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.
2. The machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalized & depreciated/amortized over the balance life of such Property, Plant and Equipment.
3. Subsequent cost relating to property, plant & equipment shall be recognized as an asset if:
  - a) it is probable that future economic benefits associated with the items will flow to the entity; and
  - b) the cost of the item can be measured reliably.
4. Cost of asset includes the following
  - i. Cost directly attributable to the acquisition of the assets
  - ii. 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.
  - iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
5. 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.

6. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.
7. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress. Expenses directly attributable to project, prior to commencement of commercial operation, are considered as project development expenditure and shown under Capital Work-in-Progress.

### Depreciation

- (a) Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) 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.
- (c) The estimated useful life of assets for current period of significant items of property plant and equipment are as follows:

Particulars	Useful Life (yrs.)
Building/flats residential/non-residential	60
Plant and Machinery	8-15
Survey instruments	10
Computers	3-6
Office Equipment's	5
Furniture and fixtures	10
Caravans, Camps and temporary shed	3-5
Vehicles	8-10

- (d) Leasehold land and improvements are amortized over the lower of estimated useful life and lease term.
- (e) Depreciation methods, useful lives and residual values are reviewed at each reporting date 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
- (f) Property plant and equipment acquired during the year, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to revenue irrespective of its value.

### (v). Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

### Amortization of Intangible Assets

- (a) Intangible assets are amortized over their respective estimated useful lives on a straight- line basis from the date that they are available for use.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

The estimated useful life of intangibles is as follows:

Intangible Assets	Useful Life	Internally generated or self-generated
Software	Finite (36 months)	Acquired

- (b) Amortization methods, useful lives and residual values are reviewed at each reporting date.
- (c) Software cost up to Rs. 1 Lakhs in each case is fully amortized in the year of purchase, by keeping Rs. 1 as token value for identification.

### (vi). Investment properties

- a) Investment property comprises completed property, property under construction and property held under a finance 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.
- b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- c) The company depreciates building component of investment property over 60 years from the date of original purchase/completion of construction.
- d) Investment properties are derecognized 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. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

### (vii). Investments in subsidiaries and Joint Arrangements

#### a) Investment in Subsidiaries

Investments in subsidiaries are accounted for at cost.

#### b) Joint Arrangement

Investment in joint arrangement are classified as either Jointly controlled operations under work sharing arrangement (joint operation) or Contracts executed by jointly controlled entity (joint ventures). The classification depends on the contractual rights and obligations of each JV partner rather than the legal structure of the joint arrangement. Company has both joint ventures and joint operations.

##### i) Joint Operations

Company recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses.

##### ii) Joint Venture

Income on investments is recognized when the right to receive the same is established.

Investment in such joint ventures is carried at cost in separate financial statements.

### (viii). Inventories

#### (a) Construction Work in Progress

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure to the extent not written off valued at cost.

### (b) Others

- (i) In Cost Plus contracts, the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (III) below.
- (ii) In Item Rate and Lump Sum Turnkey contracts, the cost of all materials, spares (other than capitalized) and stores are charged to Statement of Profit and Loss in the year of use.
- (iii) Inventories are valued at lower of the cost arrived at on First in First out (FIFO) basis and net realizable value.
- (iv) Loose tools are expensed in the year of purchase.

### (ix). Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise of cash at bank, cash in hand, other short term deposits with banks with an original maturity of three months or less and highly liquid investments, that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value and Bank overdraft.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term bank deposits etc., as defined above, net of outstanding bank overdrafts since they are considered integral part of the company's cash management.

### (x). Provisions

#### A- Provision for Maintenance

- a) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.
- b) 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, the obligations of the sub-contractors, operating turnover and other relevant factors.
- c) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of Rs. 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

#### B- Provision for Demobilization

Provision for demobilization to meet the expenditure towards Demobilisation of Manpower and Plant & Equipment is made in foreign projects.

#### C- Others

Provision is recognized when:

- i) The Company has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made.

Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

#### D- Discounting of Provisions

Provision recognised as per above point a, b and c which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the

## Notes to Standalone Financial Statements for

the Financial year March 31, 2019

provision due to the passage of time is recognised as interest expenses.

### E- Onerous Contract

A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are termed as onerous contract and the present obligation under such contracts is recognized and measured as a provision.

### (xi). Revenue Recognition

#### (a) Revenue from contracts with customer

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.

The Company recognise revenue for a performance obligation satisfied over time after reasonably measuring its progress towards complete satisfaction of the performance obligation, In case where the outcome of a performance obligation cannot be reasonably measured but the Company expects to recover the costs incurred in satisfying the performance obligation, the revenue is being recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Performance obligation is measured 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.

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.

After contract inception, the transaction price can change for various reasons. 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. 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.

Estimate of revenues, costs, or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are recognized by including it in profit or loss in the period of the change, if the change affects that period only or the period of change and future periods, if the change affects both.

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 recognized for the earned consideration that is conditional. If a customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liability is recognised as revenue when the Company performs under the Contract.

#### b) Other Revenue Recognition

i) Dividend income is recognized when the right to receive payment is established.

ii) Interest income is recognized using Effective Interest Rate Method.

### (xii). Leases

#### a) Company as a lessee

##### Finance Lease: -

- (i) that transfers substantially all the risks and rewards incidental to ownership of an asset
- (ii) are capitalised at lease inception at lower of fair value or present value of minimum lease payment
- (iii) payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
- (iv) Finance charges are recognised in finance costs in the statement of profit and loss.
- (v) Depreciated over the useful life of the asset. However, if there is no reasonable certainty to obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

##### Operating Lease: -

- (i) is classified as operating lease when significant portion of the risk and rewards are not transferred to the company.
- (ii) payments are charged to profit and loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

#### b) Company as a lessor

##### Finance Lease

- (i) is recognised when substantially all of the risks and rewards of ownership transfer from the company to the lessee.
- (ii) Payment due are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

##### Operating Lease

- (i) are the leases in which the company does not transfer substantially all the risks and rewards of ownership to the lessee.
- (ii) incomes are recognized as income in the statement of profit & loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

### (xiii). Research and development Expenses

1. Research costs are expensed as incurred.
2. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:
  - The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
  - Its intention to complete and its ability and intention to use or sell the asset
  - How the asset will generate future economic benefits



## Notes to Standalone Financial Statements for the financial year March 31, 2019

- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### (xiv). Mobilization Expenses

The initial contract expenses on new projects for mobilisation will be recognised as construction work in progress in the year of incidence, and pro rata charged off to the project over the years at the same percentage as the stage of completion of the contract as at the end of financial year.

### (xv). Impairment of non-financial assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. At each reporting date company assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss. For the purpose of assessing impairment, assets that cannot be tested individually are grouped in to the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets (the cash-generating units).

### (xvi). Borrowing Cost

Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred. Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of such assets upto the commencement of commercial operations.

### (xvii). Employee Benefits

#### a) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

#### b) Post-employment benefits & other Long Term Employee Benefits

- i. Retirement benefits in the form of pension fund are defined contribution schemes. The contributions to the pension trust are charged to the statement of Profit and loss for the year when the contributions are due.
- ii. The company has Defined benefit plans like Provident Fund, Gratuity, LTC and other retirement benefits.
- iii. The Company makes contribution to the recognized provident fund - "IRCON CONTRIBUTORY

PROVIDENT FUND TRUST" for its employees, which is a defined benefit plan and also contribute to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

- iv. The Company has created a Trust for Gratuity. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.
- v. Provision for Defined benefit plans is made based on actuarial valuation at the year end and Actuarial gains or losses are recognized through Other Comprehensive income.
- vi. Post-retirement Medical benefits are made based on actuarial valuation or amount available for contribution, whichever is less.
- vii. Other long term employee benefit includes leave encashment. Actuarial gains or losses on other long term employee benefits are recognized through statement of profit & loss.
- viii. Re-measurements of the net defined benefit liability (asset) recognized in other comprehensive income shall not be reclassified to profit or loss in a subsequent period.

### (xviii). Taxes

#### a) Current income tax

- (i) Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- (ii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- (iii) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- (iv) Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

#### b) Deferred tax

- (i) Deferred income tax is recognized using balance sheet approach.
- (ii) Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- (iii) Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- (iv) The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient

## Notes to Standalone Financial Statements for the financial year March 31, 2019

taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

- (v) Deferred tax related to OCI Item is recognized in Other Comprehensive Income (OCI).

### (xix). Operating Segment

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. Accordingly, the Company has identified two reporting segments viz. Domestic & International.

### (xx). Earnings Per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### (xxi). Contingent Liabilities and Contingent Assets

- (a) Contingent Liabilities are disclosed in either of the following cases:
- i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - ii) A reliable estimate of the present obligation cannot be made; or
  - iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

### (xxii). Fair Value Measurement

Company measures financial instruments at fair value at each reporting date. 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 to 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. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Company 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.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

### (xxiii). Dividend to equity holders

Dividend paid/payable shall be recognized in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

### (xiv). Financial instruments

#### A. Initial recognition and measurement

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

#### B. Subsequent measurement

##### B.1 Financial Assets

Financial assets are classified in following categories:

##### a). Debt instruments at Amortised Cost

Debt instrument shall be measured at amortised cost if both of the following conditions are met:

- (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- (b) The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the statement of profit and loss.

Following financial assets are measured at amortised cost: -

- (i) Trade receivable

## Notes to Standalone Financial Statements for the financial year March 31, 2019

- (ii) Security deposit
- (iii) Retention money
- (iv) Money held with client
- (v) Cash and cash equivalent
- (vi) Loan and advances
- (vii) Investment in Tax free bonds

### b). Debt instruments at Fair value through Other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the Fair value through other comprehensive income if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

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 P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

### c) Debt instruments at fair value through Profit & Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instruments, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instruments, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

## B.2 Financial liabilities

### a) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

### b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

## C. De-recognition

### Financial Asset

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.

### Financial Liability

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Profit & Loss.

## D. Impairment of financial assets:

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and contract assets. 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.

Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

## (xxv). Non-current Assets (or disposal groups) 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 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.

## (xxvi) Financial guarantees

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.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 3. Property, Plant and Equipment

Foot Notes	Free hold Land (iv)	Lease hold Land Buildings (iii)	Freehold Buildings/ Flats- Residential	Free hold Buildings/ Flats-Non-Res.	Plant & Machinery	Survey Instruments	Computers	Office Equip-ments (vii)	Furniture & Fixtures (v)	Caravans, Camps and Temp. Sheds	Vehicles	Total
<b>Gross Carrying Amount (At Cost)</b>												
<b>At 1<sup>st</sup> April 2017</b>	<b>42.26</b>	<b>1.09</b>	<b>6.36</b>	<b>8.30</b>	<b>75.98</b>	<b>0.98</b>	<b>2.32</b>	<b>2.79</b>	<b>2.04</b>	<b>7.57</b>	<b>1.46</b>	<b>187.59</b>
Additions	0.49	-	-	-	0.89	0.40	2.93	0.75	0.62	0.31	2.34	8.73
Disposals/Adjustments	-	(31.24)	-	31.24	(3.99)	(0.01)	(0.09)	(0.11)	(0.06)	-	(0.11)	(4.37)
Exchange (Gain) / Loss	-	-	-	1.09	1.62	-	0.01	0.02	0.01	-	0.21	2.96
<b>At 31<sup>st</sup> March 2018</b>	<b>42.75</b>	<b>1.09</b>	<b>6.36</b>	<b>40.63</b>	<b>74.50</b>	<b>1.37</b>	<b>5.17</b>	<b>3.45</b>	<b>2.61</b>	<b>7.88</b>	<b>3.90</b>	<b>194.91</b>
Additions	-	-	-	-	5.28	0.46	0.93	0.62	0.81	1.00	-	9.10
Disposals/Adjustments	(0.06)	-	-	-	(3.42)	-	(0.13)	(0.05)	(0.03)	(0.58)	(0.37)	(4.64)
Exchange (Gain) / Loss	-	-	-	0.03	1.04	0.01	0.05	0.02	0.03	0.02	0.03	1.23
<b>At 31<sup>st</sup> March 2019</b>	<b>42.69</b>	<b>1.09</b>	<b>6.36</b>	<b>40.66</b>	<b>77.40</b>	<b>1.84</b>	<b>6.02</b>	<b>4.04</b>	<b>3.42</b>	<b>8.32</b>	<b>3.56</b>	<b>200.60</b>
<b>Depreciation and impairment</b>												
<b>At 1<sup>st</sup> April 2017</b>	-	<b>0.02</b>	<b>2.74</b>	<b>1.97</b>	<b>33.76</b>	<b>0.12</b>	<b>1.01</b>	<b>0.82</b>	<b>0.56</b>	<b>2.76</b>	<b>0.32</b>	<b>50.51</b>
Depreciation charge for the year	-	0.01	0.31	0.44	4.55	0.11	0.81	0.53	0.28	2.45	0.39	12.36
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	(8.23)	-	8.23	(0.50)	-	(0.05)	(0.04)	(0.01)	(0.01)	-	(0.61)
Exchange (Gain) / Loss	-	-	-	0.30	(1.14)	-	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)	(0.93)
<b>At 31<sup>st</sup> March 2018</b>	-	<b>0.03</b>	<b>3.05</b>	<b>10.94</b>	<b>36.67</b>	<b>0.23</b>	<b>1.75</b>	<b>1.30</b>	<b>0.81</b>	<b>5.18</b>	<b>0.69</b>	<b>61.33</b>
Depreciation charge for the year	-	0.01	0.30	2.12	3.85	0.14	1.09	0.59	0.35	2.06	0.43	11.22
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(0.32)	(0.01)	(0.09)	(0.06)	(0.02)	(0.31)	(0.17)	(0.98)
Exchange (Gain) / Loss	-	-	-	0.01	0.77	-	0.03	0.06	0.02	0.02	(0.07)	0.84
<b>At 31<sup>st</sup> March 2019</b>	-	<b>0.04</b>	<b>3.35</b>	<b>13.07</b>	<b>40.97</b>	<b>0.36</b>	<b>2.78</b>	<b>1.89</b>	<b>1.16</b>	<b>6.95</b>	<b>0.88</b>	<b>72.41</b>
<b>Net book value</b>												
<b>At 31<sup>st</sup> March 2019</b>	<b>42.69</b>	<b>1.05</b>	<b>3.01</b>	<b>27.59</b>	<b>36.43</b>	<b>1.48</b>	<b>3.24</b>	<b>2.15</b>	<b>2.26</b>	<b>1.37</b>	<b>2.68</b>	<b>128.19</b>
<b>At 31<sup>st</sup> March 2018</b>	<b>42.75</b>	<b>1.06</b>	<b>3.31</b>	<b>29.69</b>	<b>37.83</b>	<b>1.14</b>	<b>3.42</b>	<b>2.15</b>	<b>1.80</b>	<b>2.70</b>	<b>3.21</b>	<b>133.58</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

**Foot Notes:-**

- i) Fixed assets held for disposal included in sales / adjustment column and transferred to other current assets at Net 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 2019		As at 31 March 2018	
					Gross Block	Net Block	Gross Block	Net Block
<b>Plant and Machinery</b>								
Northern Region	Plant and Machinery ( Noida Workshop)	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic : PMD Division	0.78	0.05	4.33	0.25
Northern Region	Plant and Machinery (Bikaner Phalodi)	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic	3.38	0.19	-	-
Malaysia Region	Locomotives - 15 No. (24 No.)	Open Tender	0.46	International	0.87	0.87	29.26	1.46
	5 No. (3 No.) of Track Machine, Nil (18 No.) Hopper wagons, 9 No. (15 No.) Flat Wagons & Nil (2 No.) Motor Trolley, 2 No. (Nil) of wide base Tractors	Open Tender	6.89	International	0.50	0.30	17.04	0.85
	Nil (34 No.) of Computer & Printers	Open Tender	-	International	-	-	0.13	0.007
	Nil (7 No.) of Fax machine, Projector & EPABX	Open Tender	-	International	-	-	0.06	0.003
	2 No. (15 No.) of Road Vehicle	Open Tender	-	International	0.12	0.03	2.12	0.10
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
<b>Freehold Land</b>								
Northern Region	Freehold Land (Northern Regional Office)	Through e-tender	-	Domestic	0.06	0.06	-	-
<b>Freehold Building - Residential</b>								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
<b>Total</b>					<b>11.99</b>	<b>2.07</b>	<b>59.22</b>	<b>3.24</b>

- ii) Depreciation and impairment on Property, Plant & Equipment for the year debited to Statement of Profit and Loss are as follows:-  
(Rs. in crore)

Description	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Depreciation on Tangible Assets	11.22	12.36
Impairment Loss	-	-
<b>Total</b>	<b>11.22</b>	<b>12.36</b>

- iii) 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.
- iv) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value Rs.0.82 crore).  
The request for time extension for construction of Building has been submitted to the appropriate authority.
- v) Furniture & Fixtures includes Furnishings also.
- vi) Depreciation and impairment : Includes Foreign Exchange Loss / (Gain) as on 31st march 2019 for Rs. 0.84 crore (as on 31st march 2018 : Rs. (0.93) crore).
- vii) Office Equipment includes Electrical Appliances and Air Conditioners the life of such items is considered as 10 years and 5 years respectively.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 4. Capital Work in Progress

(₹ in crore)

Particulars	Amount
<b>Opening balance at 1 April 2017</b>	-
Additions (subsequent expenditure)	1.22
Less : Capitalised during the year	(0.24)
<b>Closing balance at 31 March 2018</b>	<b>0.98</b>
Additions (subsequent expenditure)	47.08
Less : Capitalised during the year	-
<b>Closing balance at 31 March 2019</b>	<b>48.06</b>
<b>Net Book Value</b>	
at 31 <sup>st</sup> March 2019	<b>48.06</b>
at 31 <sup>st</sup> March 2018	<b>0.98</b>

### 5. Investment Property

(in ₹. crore)

Particulars	Noida		Gurugram		Bangalore	Total
	Land	Capital work in progress at Noida	Land	Capital work in progress at Gurugram	Building	
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>260.35</b>	<b>21.04</b>	<b>2.23</b>	<b>20.82</b>	<b>3.04</b>	<b>307.48</b>
Additions (subsequent expenditure)*	-	42.19	-	9.19	-	51.38
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>260.35</b>	<b>63.23</b>	<b>2.23</b>	<b>30.01</b>	<b>3.04</b>	<b>358.86</b>
Additions (subsequent expenditure)*	66.85	35.96	-	16.17	-	118.98
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>327.20</b>	<b>99.19</b>	<b>2.23</b>	<b>46.18</b>	<b>3.04</b>	<b>477.84</b>
<b>Depreciation and impairment</b>						
<b>Opening balance at 1<sup>st</sup> April 2017</b>	-	-	-	-	<b>0.14</b>	<b>0.14</b>
Depreciation during the year	-	-	-	-	0.05	0.05
<b>Closing balance 31<sup>st</sup> March 2018</b>	-	-	-	-	<b>0.19</b>	<b>0.19</b>
Depreciation during the year	-	-	-	-	0.04	0.04
<b>Closing balance at 31<sup>st</sup> March 2019</b>	-	-	-	-	<b>0.23</b>	<b>0.23</b>
<b>Net Block</b>						
at 31 <sup>st</sup> March 2019	<b>327.20</b>	<b>99.19</b>	<b>2.23</b>	<b>46.18</b>	<b>2.81</b>	<b>477.61</b>
at 31 <sup>st</sup> March 2018	<b>260.35</b>	<b>63.23</b>	<b>2.23</b>	<b>30.01</b>	<b>2.85</b>	<b>358.67</b>

### Information regarding income and expenditure of Investment Property

(₹ in crore)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Rental income derived from investment properties	0.38	0.35
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>0.38</b>	<b>0.35</b>
Less: Depreciation during the year	(0.04)	(0.05)
<b>Profit arising from investment properties before indirect expenses</b>	<b>0.34</b>	<b>0.30</b>

**Notes to Standalone Financial Statements for  
the Financial year March 31, 2019**

**Reconciliation of fair value**

( ₹ in crore)

Particulars	Noida		Gurugram		Bangalore	Total
	Land	Capital work in progress at Noida	Land	Capital work in progress at Gurugram	Building	
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>243.05</b>	<b>6.80</b>	<b>130.89</b>	<b>17.31</b>	<b>5.25</b>	<b>403.30</b>
Fair value difference	(4.02)	48.33	2.31	10.60	0.06	57.28
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>239.03</b>	<b>55.13</b>	<b>133.20</b>	<b>27.91</b>	<b>5.31</b>	<b>460.58</b>
Fair value difference	(0.99)	64.49	3.64	30.49	1.84	99.46
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>238.04</b>	<b>119.62</b>	<b>136.84</b>	<b>58.40</b>	<b>7.15</b>	<b>560.04</b>
Fair value difference for the year	(0.99)	64.49	3.64	30.49	1.84	99.46
Note:-						
<b>Investment Property self constructed</b>	<b>238.04</b>	<b>119.62</b>	<b>136.84</b>	<b>58.40</b>	<b>7.15</b>	<b>560.04</b>
	<b>238.04</b>	<b>119.62</b>	<b>136.84</b>	<b>58.40</b>	<b>7.15</b>	<b>560.04</b>

**Notes to Standalone Financial Statements for  
the financial year March 31, 2019**

- (i) These valuations are based on valuations performed by accredited independent valuer. Fair Values are based on cost & income/cost/market value approach.
- (ii) The fair value measurement is categorised in Level 3 of fair value hierarchy.
- (iii) Investment property in Noida is at four locations having lease term of 90 years, Properties in Gurugram and Bangalore are at one location only which are freehold.

( ₹ in crore)

* Detail of Additions (subsequent expenditure)	As at 31st March 2019		As at 31st March 2018	
	Land	Capital work in progress	Land	Capital work in progress
Lease Rent Paid	66.85	-	-	-
- Work Expenses	-	41.57	-	46.17
- Consultancy Charges	-	0.22	-	0.50
- Salary & Wages	-	1.44	-	0.97
- Rates & Taxes	-	6.24	-	-
- Vehicle Operation and Maintenance	-	0.10	-	1.36
- Power, Electricity and Water charges	-	2.19	-	1.47
- Advertisement & Publicity	-	0.10	-	0.15
- Staff Welfare	-	0.01	-	0.02
- Bank Charges	-	0.01	-	0.02
- Repairs and Maintenance - Office & Other	-	0.01	-	0.71
- Tour & Travelling	-	0.08	-	-
- Misc. Operating Exp.	-	0.16	-	0.01
<b>Total</b>	<b>66.85</b>	<b>52.13</b>	<b>-</b>	<b>51.38</b>

**6. Intangible Assets**

( ₹ in crore)

Particulars	Other Intangibles (Software)
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>1.55</b>
Addition during the year	0.08
Sales/adjustment during the year	(0.02)
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>1.61</b>
Addition during the year	0.51
Sales/adjustment during the year	(0.03)
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>2.09</b>
<b>Amortisation and Impairment</b>	
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>0.34</b>
Amortisation during the year	0.45
Sales / adjustment during the year	(0.01)
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>0.78</b>
Amortisation during the year	0.44
Sales / adjustment during the year	(0.03)
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>1.19</b>
<b>Net book value</b>	
<b>At 31<sup>st</sup> March 2019</b>	<b>0.90</b>
<b>At 31<sup>st</sup> March 2018</b>	<b>0.83</b>

**Notes to Standalone Financial Statements for**

the financial year March 31, 2019

**7. Financial Assets**
**7.1 Investments**

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>1. Investments in Equity Instruments (fully paid-up, unquoted, at cost) Subsidiaries</b>		
Ircon Infrastructure & Services Limited 6,50,00,000 equity shares of Rs. 10 each ( 31 March 2018 : 6,50,00,000)	65.00	65.00
Ircon PB Tollway Limited 16,50,00,000 equity shares of Rs.10 each ( 31 March 2018 : 16,50,00,000)	165.00	165.00
Ircon Shivpuri Guna Tollway Limited 15,00,00,000 equity shares of Rs. 10 each ( 31 March 2018 : 15,00,00,000)	150.00	150.00
Ircon Vadodara Kim Expressway Limited 60,00,000 equity shares of Rs. 10 each ( 31 March 2018 : Nil)	6.00	-
Ircon Davanagere Haveri Highway Limited 10,40,50,000 equity shares of Rs. 10 each ( 31 March 2018 : 50,000)	104.05	0.05
<b>Total (1) - Investment in Subsidiaries</b>	<b>490.05</b>	<b>380.05</b>
<b>2. Investments in Equity Instruments (fully paid-up, unquoted, at cost) Incorporated Joint Venture</b>		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of Rs. 10 each fully paid. ( 31 March 2018 : 6,38,70,000) (Refer note (i) a & b )	64.15	64.15
Indian Railway Stations Development Corporation Limited 2,58,00,000 equity shares of Rs.10 each ( 31 March 2018 : 2,00,00,000) (Refer note (ii))	25.80	20.00
Bastar Railway Pvt. Limited 7,63,37,300 equity shares of Rs. 10 each ( 31 March 2018 : 11,83,000)	76.34	1.18
Jharkhand Central Railway Limited 1,30,00,000 equity shares of Rs. 10 each ( 31 March 2018 : 1,30,00,000)	13.00	13.00
Mahanadi Coal Railway Limited 13,000 equity shares of Rs. 10 each ( 31 March 2018 : 13,000)	0.01	0.01
Chhattisgarh East Railway Limited 12,25,75,700 equity shares of Rs. 10 each fully paid. ( 31 March 2018 : 8,35,75,700)	122.58	83.58
Chhattisgarh East-West Railway Limited 13,11,70,000 equity shares of Rs. 10 each fully paid. ( 31 March 2018 : 13,11,70,000)	131.17	131.17
<b>Total (2) - Investment in Joint Ventures</b>	<b>433.05</b>	<b>313.09</b>



## Notes to Standalone Financial Statements for the financial year March 31, 2019

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>3. Investment in Bonds (Quoted, at Amortised cost)</b>		
8.00% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 163,131 units of Rs.1,000 each ( 31 March 2018 : 163,131)	16.31	16.31
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of Rs.10,00,000 each ( 31 March 2018 : 500)	49.98	49.96
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of Rs.1,000 each ( 31 March 2018 : 5,00,000)	50.00	50.00
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of Rs. 10,00,000 each ( 31 March 2018 : 500)	49.94	49.93
7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of Rs. 10,00,000 each ( 31 March 2018 : 250)	24.99	24.98
7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of Rs.1,000 each ( 31 March 2018 : 3,02,000)	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of Rs. 1,000 each ( 31 March 2018 : 1,99,989)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of Rs. 10,00,000 each ( 31 March 2018 : 500)	49.98	50.00
<b>Total (3) - Investment in Bonds (Quoted)</b>	<b>291.40</b>	<b>291.38</b>
<b>Total non - current investments (1+2+3)</b>	<b>1,214.50</b>	<b>984.52</b>
<b>Aggregate Book value of quoted investments</b>	<b>291.40</b>	<b>291.38</b>
<b>Aggregate Market value of quoted investments</b>	<b>314.23</b>	<b>349.33</b>
<b>Aggregate Book value of unquoted investments (1+2)</b>	<b>923.10</b>	<b>693.14</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

(i) (a) As per Articles of Association (Article V) of ISTPL, shareholders can transfer their shareholding subject to Concession Agreement dated 28th September 2005 signed with NHAI which provides for equity holding of not less than 51% by Consortium members in ISTPL during the construction period and three years following Commercial Operation Date, which was achieved on 19.04.2010. Thereafter, the aforesaid shareholding can be diluted to 26% subject to the pre-emption right of the other shareholders.

(b) Includes fair value of the financial guarantee for Rs. 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 31.03.2019 is Rs. Nil (as on 31.03.2018 Rs. Nil).

(ii) In FY 2017-18 :IRSDC - Indian Railway Stations Development Corporation Limited, a Subsidiary with equity participation of 51% from IRCON : Ministry of Railway vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from IRCON, thereby revising the ownership and non-controlling interest to 50:50. The composition of IRSDC was converted to Joint venture with 1% share transferred by Ircon to RLDA at a value of Rs. 0.40 crore. In FY 2018-19.

BoD has approved further equity investment of Rs. 24 crore (including premium, if any) in IRSDC over and above the amount of Rs. 40 crore already committed. Further, Rites Limited has been introduced as third strategic partner / shareholder in IRSDC and revised Promoters' agreement shall be entered into between RLDA, IRCON & RITES with revised shareholding pattern.

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### Financial Assets (Non Current)

#### 7.2 Loans

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.22	0.42
<b>Total (A) - Considered Good : Secured</b>	<b>0.22</b>	<b>0.42</b>
<b>B. Considered Good : Unsecured</b>		
<b>(i) Loans to Related Parties:</b>		
Joint Ventures		
- Chhattisgarh East West Railway Limited	39.00	39.00
Subsidiaries		
- Ircon Shivpuri Guna Tollway Limited	516.66	525.82
- Ircon PB Tollway Limited	309.70	240.85
- Ircon Davanagere Haveri Highway Limited	130.00	-
<b>(ii) Others:</b>		
Staff Loans & Advances *	0.23	0.25
<b>Total (B) - Considered Good : Unsecured (i+ii)</b>	<b>995.59</b>	<b>805.92</b>
<b>C. Significant Increase in Credit Risk</b>	-	-
<b>D. Credit Impaired</b>	-	-
<b>Grand Total - Loans (A+B+C+D)</b>	<b>995.81</b>	<b>806.34</b>

#### \* Details of amount due from Directors:

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in staff loans and advances	0.0020	0.0068
<b>Total</b>	<b>0.0020</b>	<b>0.0068</b>

#### 7.3 Other Financial Assets

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Good</b>		
Security Deposits		
- Government Departments	0.01	0.01
- Others	0.25	0.17
Retention Money with Client	103.84	60.67
Money Withheld by Client	3.47	3.47
Fixed Deposits with original maturity of more than 12 months {refer foot note (i)}	0.41	0.41
Fixed Deposits received from Contractors {refer foot note (ii)}	8.89	9.02
Interest Accrued on Advances to Staff #	0.32	0.50
Interest Accrued on Advances to Rail Land Development Authority (RLDA)	-	3.44
Interest Accrued on Loans to Related Party	-	0.01
Others		
- Recoverable from Govt of Mozambique	-	35.61
- Recoverable from Rail Land Development Authority (RLDA) {refer foot note (iii) (a) & (b)}	2,590.45	2,616.09
- Advance Lease Rent	-	0.01
<b>Total - Other Financial Assets</b>	<b>2,707.64</b>	<b>2,729.41</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### # Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in interest accrued on staff loans and advances	0.0029	0.0022
<b>Total</b>	<b>0.0029</b>	<b>0.0022</b>

#### Foot Notes:-

- (i) Includes FDRs under Lien for Rs. 0.41 crore (Rs. 0.41 crore).
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) (a) The Company has raised a loan from Indian Railway Finance Corporation ("IRFC") (Refer note 15.1) which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company, at least five (5) days prior to their respective due date under the Loan Agreement, into such account as maybe designated by IRFC. RLDA and Ministry of railways ("MoR") shall mutually enter into appropriate arrangements for corresponding disbursement of funds from MoR to RLDA. The terms and conditions of this recoverable amount is same as in the case of the said loan.
- Further under MOU, RLDA has transferred the leasehold rights in the Project site at Bandra East in favour of the Company, together with the rights to undertake commercial development thereon. The Company shall be entitled to appoint appropriate developer(s) through open, competitive and transparent bid process for the purposes of undertaking the commercial development of the Project Site, and for the purposes thereof further sub-lease the Project Site (together with all associated Development Rights) to the developers so identified by the Company.
- (b) Includes advance paid to RLDA for an amount of Rs. 10 crore (as on 31 March 2018 : Rs. 15 crore) as per Memorandum of Understanding (MOU) dated 3rd August 2017 for redevelopment of Safdarjung Railway Station.

### 8. Deferred Tax Assets

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Provisions	111.18	117.60
Property, Plant and Equipment and Intangible Assets	(2.83)	2.31
Others	36.27	30.97
<b>Closing balance as at 31 March</b>	<b>144.62</b>	<b>150.88</b>

#### Reconciliation / Movements in Deferred Tax Assets

(₹ in crore)

Particulars	Provisions	PPE and Intangible Assets	Others	Total
<b>As at 01<sup>st</sup> April 2017</b>	<b>131.23</b>	<b>4.58</b>	<b>25.24</b>	<b>161.05</b>
(Charged)/Credited :				
- to profit or loss	(13.63)	(2.27)	5.73	(10.17)
- to Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>117.60</b>	<b>2.31</b>	<b>30.97</b>	<b>150.88</b>
(Charged)/Credited :				
- to profit or loss	(6.41)	(5.14)	5.31	(6.26)
- to Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>111.19</b>	<b>(2.83)</b>	<b>36.28</b>	<b>144.62</b>

Deferred tax liabilities have been off set as they relate to the same governing law.

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### Income Tax Expense Profit or loss Section

(₹ in crore)

Particulars	31st March 2019	31st March 2018
<b>Current income tax:</b>		
Current income tax charge	215.13	174.78
Adjustments in respect of current income tax of previous year	(50.89)	(42.50)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	6.26	10.17
<b>Income tax expense reported in the statement of profit or loss</b>	<b>170.50</b>	<b>142.45</b>

### OCI section

Income tax related to items recognised in OCI during the year:

(₹ in crore)

Particulars	31st March 2019	31st March 2018
Net loss/(gain) on measurements of defined benefit plans	0.69	(0.95)
Net loss/(gain) on exchange gain/ loss	(4.87)	1.68
<b>Income tax charged to OCI</b>	<b>(4.18)</b>	<b>0.73</b>

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018:

(₹ in crore)

Particulars	31st March 2019	31st March 2018
Accounting profit before tax from continuing operations	603.21	532.46
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>603.21</b>	<b>532.46</b>
At India's statutory income tax rate of 34.944% (31 <sup>st</sup> March 2018: 34.608%)	210.79	184.27
Adjustments in respect of current income tax of previous years	(50.89)	(42.50)
Utilisation of previously unrecognised tax losses	-	-
- Non taxable items	(17.67)	(52.04)
- Rate Difference	-	-
- Other	(0.75)	1.03
Non-deductible expenses for tax purposes:		
-Other country additional tax	19.07	30.09
-Other non-deductible expenses	5.77	22.33
<b>At the effective income tax rate of 27.57% (31<sup>st</sup> March 2018: 26.89%)</b>	<b>166.32</b>	<b>143.18</b>
Income tax expense reported in the statement of profit and loss	166.32	143.18
Income tax attributable to a discontinued operation	-	-
	<b>166.32</b>	<b>143.18</b>

**Notes to Standalone Financial Statements for**  
the financial year March 31, 2019

**Notes to Financial statement for the financial year Ended 31st March, 2019**

**9. Other Non-Current Assets**

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>a) Advances Other than Capital Advances</b>		
Advances to Contractors against material and machinery	154.74	19.93
Advances to Contractors, Suppliers and Others	0.07	68.61
Deposits with Tax Departments	0.20	0.20
<b>Total - Advances Other than Capital Advances</b>	<b>155.01</b>	<b>88.74</b>
<b>b) Others</b>		
Unsecured, considered good		
Interest Accrued on :		
- Advances to Contractors, Suppliers & Others	0.89	52.20
Fair valuation adjustment	0.01	0.13
<b>Total - Others</b>	<b>0.90</b>	<b>52.33</b>
<b>c) Considered Doubtful</b>		
<b>Total - Considered Doubtful</b>	-	-
<b>Grand Total (a+b+c)</b>	<b>155.91</b>	<b>141.07</b>

**10. Inventories**

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Raw Material		
- In Hand	23.58	20.51
- With Third Parties	30.90	9.94
- In Transit	-	0.19
Others (Scrap)	0.29	1.79
Construction Work In progress (at Cost)	277.17	108.31
<b>Total</b>	<b>331.94</b>	<b>140.74</b>

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### 11. Financial Assets

#### 11.1 Investments

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Investment at Fair Value through Profit & Loss		
Investment in Mutual funds (Quoted)		
UTI Money market Fund - Direct Plan - Daily Dividend (Reinvestment) : No. of Units : Nil (31 March 2018 : 1,69,594.888)	-	17.02
SBI Premier Liquid Fund - Daily Dividend Plan :No. of Units : 6,93,682.97 (31 March 2018 : Nil)	69.60	-
IDBI Liquid fund - Direct Plan - Daily Dividend (Reinvestment) : No. of Units : Nil (31 March 2018 : 19,86,853.588)	-	199.15
UTI Liquid Cash Plan - Direct Plan - Daily Dividend :No. of Units : 2,95,575.202 (31 March 2018 : Nil)	30.13	-
<b>Total Investments (Refer foot note (i))</b>	<b>99.73</b>	<b>216.17</b>
<b>Aggregate book value of quoted investments</b>	<b>99.73</b>	<b>216.17</b>
<b>Aggregate Market value of quoted investments</b>	<b>99.73</b>	<b>216.17</b>
<b>Aggregate book value of unquoted investments</b>	-	-
<b>Aggregate amount of impairment in value of investments</b>	-	-
(i) Includes <b>Rs. 4.61 crore</b> ( as on 31 March 2018 Rs. Nil) for project site at Bandra (East).		

#### 11.2 Trade Receivables

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Good : Secured</b>		
- Trade receivables	-	-
<b>Considered Good : Unsecured</b>		
- Trade receivables * (Refer Note no. 27 & 40 )	505.14	667.19
<b>Significant Increase in Credit Risk</b>		
- Trade receivables	-	-
<b>Credit Impaired :</b>		
- Trade receivables	27.28	26.71
Less : Impairment allowances for doubtful debts	(27.28)	(26.71)
<b>Total</b>	<b>505.14</b>	<b>667.19</b>

\* Includes Receivables from related parties **Rs. 18.08 crore** (As at 31st March 2018 : Rs. 43.90 crore)

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 11.3 Cash and Cash equivalents

(₹ in crore)

Particulars	Foot Note	As at 31st March 2019	As at 31st March 2018
Cash in hand		0.04	0.09
Cheques/drafts in hand		0.08	0.94
Remittance in Transit		4.50	-
Balances with banks:			
- On current accounts		135.80	213.31
- Flexi Accounts	(i)	201.06	234.80
- Deposits with original maturity of less than 3 months (Refer Note No. 27)	(i) & (iii)	533.76	1,076.59
		<b>875.24</b>	<b>1,525.73</b>

### 11.4 Bank Balances other than Cash and Cash equivalents

Particulars		As at 31st March 2019	As at 31st March 2018 (₹ in crore)
<b>Other Bank Balances</b>			
- Deposits with original maturity of more than 3 months but less than 12 months	(i)	2,038.94	3,056.44
- Fixed Deposits received from Contractors	(ii)	18.56	18.33
		<b>2,057.50</b>	<b>3,074.77</b>

#### Foot Notes :-

- (i) Includes Clients Fund of **Rs. 2,256.30 crore** (31st March 2018 : Rs. 2,884.78 crore) on which interest is passed on to them.
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) Includes Amount **Nil** (31 March 2018 : Rs. 593.55 crore) earmarked for expenses for project site at Bandra (East).

### 11.5 Loans

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.61	0.96
<b>Total (A) - Considered Good : Secured</b>	<b>0.61</b>	<b>0.96</b>
<b>B. Considered Good : Unsecured</b>		
<b>(i) Loans to Related Parties:</b>		
Subsidiaries		
- Ircon Shivpuri Guna Tollway Limited	44.93	-
- Ircon PB Tollway Limited	28.15	-
<b>(ii) Others:</b>		
Staff Loans & Advances *	1.25	0.91
<b>Total (B) - Considered Good : Unsecured (i) + (ii)</b>	<b>74.33</b>	<b>0.91</b>
<b>C. Significant Increase in Credit Risk</b>	-	-
<b>D. Credit Impaired</b>	-	-
<b>Grand Total</b>	<b>74.94</b>	<b>1.87</b>

#### \* Details of amount due from Directors:

(Rs. in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in staff loans and advances	0.0048	0.0048
<b>Total</b>	<b>0.0048</b>	<b>0.0048</b>

**Notes to Standalone Financial Statements for**  
the financial year March 31, 2019

**11.6 Other Financial Assets**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Good</b>		
Security Deposits		
- Government Departments	29.75	7.67
- Others	127.63	1.65
Retention Money with Client	6.11	10.11
Money Withheld by Client	69.95	68.05
Earnest Money Deposit	0.28	40.05
Interest Accrued on :		
- Advance to Staff	0.60	0.65
- Loans to Related Parties	4.40	-
- Advances to Rail Land Development Authority (RLDA)	274.42	-
- Deposits with Banks	47.20	75.99
- Bonds	17.83	17.86
Contract Asset :		
- Billable Revenue / Receivable not due {refer foot note (i)}	219.41	260.05
- Construction Work in Progress (At realisable value)	178.16	116.18
Share Application Money pending Allotment :		
Indian Railway Stations Development Corporation Limited - 1,42,00,000 equity shares of Rs.10 each ( 31 March 2018 : 2,00,00,000) (Refer note no. 7.1, foot note no. (ii))	14.20	20.00
Other Recoverable :		
(a) From Related Parties (Joint Ventures)		
- RICON	1.02	0.81
- International Metro Civil Contractor	3.62	2.84
- Metro Tunnelling Group	4.20	4.04
- Ircon Soma Tollway Pvt. Ltd.	7.05	7.04
- Indian Railway Station Development corporation Limited	0.96	0.71
- IRCON - AFCON JV	29.47	46.40
- Chhattisgarh East Railway Limited	0.24	1.02
- Mahanadi Coal Railway Limited	1.04	0.57
(b) From Related Parties (Subsidiaries)		
- Ircon Shivpuri Guna Tollway Limited	0.89	0.14
- Ircon Infrastructure & Services Limited	1.35	1.15
- Ircon PB Tollway Limited	2.21	0.43
- Ircon Vadodara Kim Expressway Limited	0.12	-
- Ircon Davanagere Haveri Highway Limited	0.05	2.29
(c) Recoverable from Govt. of Mozambique	38.23	35.92
(d) Recoverable from Rail Land Development Authority (RLDA)	516.53	-
(e) Claims Recoverable from Clients	15.39	4.39
(f) Advance Lease Rent	0.22	0.21
(g) Others (Refer Note No. 27)	5.35	13.82
<b>Total - Other Financial Assets - Good</b>	<b>1,617.88</b>	<b>740.04</b>



**Notes to Standalone Financial Statements for**  
the financial year March 31, 2019

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Doubtful</b>		
Security Deposits		
- Government Departments	0.12	0.11
- Others	0.19	0.18
Earnest Money Deposit	0.16	-
Retention Money with Client	5.99	7.29
Money Withheld by Client	5.74	6.06
Less : Impairment allowance for doubtful financial assets (others)	(12.20)	(13.64)
<b>Total - Other Financial Assets - Doubtful</b>	-	-
<b>Grand Total - Other Financial Assets</b>	<b>1,617.88</b>	<b>740.04</b>

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 Rs. **Nil** (Rs.).

**Details of amount due from Directors:**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in interest accrued on staff loans and advances	-	-
<b>Total</b>	-	-

- i) (a) Includes Value of work amounting to **Rs. 16.93 crore** (Rs. 7.99 crore) certified by client, but not billed by reporting date.  
 (b) Includes **Rs. 14.47 crore** (Rs. 8.50 crore) from Chhattisgarh East Railway Limited, a Joint Venture Company.  
 (c) Includes **Rs. 0.27 crore** (Rs. 1.07 crore) from Chhattisgarh East West Railway Limited, a Joint Venture Company.  
 (d) Includes **Rs. 20.78 crore** (Nil) from Ircon Devanagere Haveri Highway Limited, a Wholly Owned Subsidiary Company.

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### 12. Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax) {Refer Note No. 27}	31.97	29.13
<b>Current tax Assets (Net)</b>	<b>31.97</b>	<b>29.13</b>

### 12.1 Other Current Assets

(₹ in crore)

Particulars	Foot Note	As at 31st March 2019	As at 31st March 2018
<b>Considered Good</b>			
<b>a) Advances Other than Capital Advances</b>			
Advances to Contractors against material and machinery		285.32	331.99
Advances to Contractors, Suppliers and Others		531.87	219.09
Advance Recoverable from:			
- Sales Tax (including TDS)		340.11	315.73
Less : Deposited under Protest		(218.65)	(218.65)
- Value Added Tax		111.70	90.12
- Goods & Services Tax		338.47	203.33
- Service Tax input credit		0.01	0.01
Security Deposits		15.84	-
<b>Total - Advances Other than Capital Advances</b>		<b>1,404.67</b>	<b>941.62</b>
<b>Considered Good</b>			
<b>b) Others</b>			
<b>Interest Accrued on:</b>			
Deposits & Advances with:			
- Contractors, Suppliers & Others		90.73	47.18
Assets held for disposal	(i)	2.07	3.24
Prepaid Expenses		4.24	6.27
Fair valuation adjustment		0.15	0.37
<b>Total - Others</b>		<b>97.19</b>	<b>57.06</b>
<b>c) Considered Doubtful</b>			
Advances to Contractors, Suppliers and Others		16.94	15.89
Sales Tax (including TDS)		36.02	36.04
Others		-	0.04
Value Added Tax		7.18	7.17
Less: Impairment allowance for doubtful advances		(60.14)	(59.14)
<b>Total - Considered Doubtful</b>		<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>1,501.86</b>	<b>998.68</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

i) property Plant & Equipment beyond beyond economic repairs and / held for disposal (at lower of 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 2019		As at 31 March 2018	
					Gross Block	Net Block	Gross Block	Net Block
<b>Plant and Machinery</b>								
Northern Region	Plant and Machinery ( Noida Workshop)	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic : PMD Division	0.78	0.05	4.33	0.25
Northern Region	Plant and Machinery (Bikaner Phalodi)	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic	3.38	0.19	-	-
Malaysia Region	Locomotives - 15 No. (24 No.)	Open Tender	0.46	International	0.87	0.87	29.26	1.46
	5 No. (3 No.) of Track Machine, Nil (18 No.) Hopper wagons, 9 No. (15 No.) Flat Wagons & Nil (2 No.) Motor Trolley, 2 No. (Nil) of wide base Tractors	Open Tender	6.89	International	0.50	0.30	17.04	0.85
	Nil (34 No.) of Computer & Printers	Open Tender	-	International	-	-	0.13	0.007
	Nil (7 No.) of Fax machine, Projector & EPABX	Open Tender	-	International	-	-	0.06	0.003
	2 No. (15 No.) of Road Vehicle	Open Tender	-	International	0.12	0.03	2.12	0.10
	Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90
<b>Freehold Land</b>								
Northern Region	Freehold Land (Northern Regional Office)	Through e-tender	-	Domestic	0.06	0.06	-	-
<b>Freehold Building - Residential</b>								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
<b>Total</b>					<b>11.99</b>	<b>2.07</b>	<b>59.22</b>	<b>3.24</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 13. Equity Share Capital

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Authorised share capital</b>		
40,00,00,000 Equity shares of Rs.10 each (40,00,00,000 Equity shares of Rs.10 each as at 31st March 2018)	400.00	400.00
	<b>400.00</b>	<b>400.00</b>
<b>Issued/Subscribed and Paid up Capital</b>		
9,40,51,574 Equity shares of Rs.10 each-fully paid {refer note (i)} (9,40,51,574 Equity shares of Rs.10 each-fully paid as at 31st March 2018)	94.05	94.05
	<b>94.05</b>	<b>94.05</b>

#### Details of shareholders holding more than 5% of fully paid up equity shares

Name of the shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Government of India in the name of the President of India and Government nominees	83,878,417	89.18%	93,783,574	99.71%

#### Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
	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	-	-	7,91,84,000	-	-	-
Equity shares Buy Back	-	49,28,426	-	-	-	-
<b>Total</b>	-	<b>49,28,426</b>	<b>7,91,84,000</b>	-	-	-

#### Terms / Rights attached to Equity Shares :

##### (a) Voting

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

##### (b) 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.

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### Reconciliation of the number of equity shares and share capital

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Rs in crore	No. of Shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	9,40,51,574	94.05	9,89,80,000	98.98
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year (refer note no. (ii))	-	-	(49,28,426)	(4.93)
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	<b>9,40,51,574</b>	<b>94.05</b>	<b>9,40,51,574</b>	<b>94.05</b>

- (i) Consequent upon Govt. of India decision to disinvest, 99,05,157 shares of the company were allotted to public on 26th September 2018 and shares of the company listed on NSE & BSE on 28th September 2018. However, this IPO was for disinvestment of shares held by Government of India so, Company's Share Capital is not affected. The proceeds of the disinvestment have been realized by Govt. of India (GOI).
- (ii) In FY 2017-18, Department of Investment and Public Asset Management (DIPAM) had instructed the Company to buy back shares to the extent of 5% of paid up capital. Total shares proposed to be bought back was 49,41,818 in numbers at book value of these shares. Board of Directors at its 236th meeting dated 21.09.2017 approved proposal to buy back by the company of its fully paid up equity shares of 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.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 14. Other Equity

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(a) Retained Earnings</b>		
Opening Balance	310.00	392.03
Transfer from surplus in statement of profit and loss	444.68	387.90
Dividend declared and paid during the year including Corporate Dividend Tax	(117.24)	(117.05)
Interim Dividend including Tax thereon	(121.55)	(114.52)
Re-measurement of defined benefit plans (net of tax)	1.28	(1.80)
Payment of Fee for increase in Authorised Capital	-	(1.99)
Payment for Buy Back of Shares	-	(234.57)
<b>Closing Balance</b>	<b>517.17</b>	<b>310.00</b>
<b>(b) General Reserve</b>		
Opening Balance	3,333.71	3,333.71
<b>Closing Balance</b>	<b>3,333.71</b>	<b>3,333.71</b>
<b>(c) Capital Redemption Reserve</b>		
Opening Balance	4.93	-
Transfer for Buy Back of Equity Shares	-	4.93
<b>Closing Balance</b>	<b>4.93</b>	<b>4.93</b>
<b>(d) Items of Other Comprehensive Income</b>		
Opening Balance	8.75	5.57
Foreign Currency Translation (net of tax) During the Year	(9.07)	3.18
<b>Closing Balance</b>	<b>(0.32)</b>	<b>8.75</b>
<b>Grand Total (a+b+c+d)</b>	<b>3,855.49</b>	<b>3,657.39</b>

#### Nature and Purpose of Other Reserves:

##### (a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

##### (b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

##### (c) Capital Redemption Reserve

The Company has created Capital Redemption Reserve out of the profits after Buy Back of shares on 26th December 2017.

##### (d) Items of Other Comprehensive Income

Other Comprehensive Income represents balance arising on account of exchange difference on translation of foreign operations.

### Distribution made and proposed dividend

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Cash dividends on equity shares declared / paid:</b>		
Final Dividend of FY 2017-18 paid during 2018-19: INR 10.34 per share (Paid during FY 2017-18: INR 27.80 per share)	97.25	97.25
Dividend distribution tax on final dividend	19.99	19.80
Interim dividend paid during 2018-19: INR 10.72 per share (FY 2017-18: INR 10.11 per share)	100.82	95.15
Dividend distribution tax on interim dividend	20.73	19.37
<b>Total</b>	<b>238.79</b>	<b>231.57</b>
<b>Proposed dividends on equity shares:</b>		
Dividend for 31 <sup>st</sup> March 2019: INR 10.825 per share (31 <sup>st</sup> March 2018: INR 10.34 per share)	101.81	97.25
Dividend distribution tax on proposed dividend	20.93	19.99
<b>Total</b>	<b>122.74</b>	<b>117.24</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 15. Financial Liabilities (Non Current)

#### 15.1 Borrowings

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Unsecured:</b>		
Loan From Indian Railway Finance Corporation {Refer Note below}	2,560.00	3,200.00
<b>Total</b>	<b>2,560.00</b>	<b>3,200.00</b>

#### Notes :

(a) **Terms and Conditions of the unsecured Loan :**

The Company has raised a loan from Indian Railway Finance Corporation (“IRFC”) which in turn have been paid to Railway Land Development Authority (“RLDA”) in terms of lease agreement. As per the Memorandum of understanding (“MOU”) entered between RLDA and the Company, all instalments of principal and interest, as also any default or additional interest, and other costs, expenses and charges associated with the loan (or otherwise payable under or pursuant to the Loan Agreement), shall be paid by RLDA to the Company. The repayment of principal of the Loan Amount shall be made in 5 (five) equal instalments commencing from April 15, 2019. **[Refer Note 7.3 (Foot Note (iii)(a))].**

(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.

#### 15.2 Trade Payables

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
(A) Micro, Small & Medium Enterprises (Refer Note no. 45)	-	-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	-	0.46
<b>Total</b>	<b>-</b>	<b>0.46</b>

#### 15.3 Other Financial Liability

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest Accrued on Loan from Indian Railway Finance Corporation	-	3.08
Deposits and Retention Money	309.56	320.92
Amount Payable to Client	0.18	0.55
Interest Payable on Advance from Client	31.26	65.38
<b>Total</b>	<b>341.00</b>	<b>389.93</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 16. Provisions

(₹ in crore)

Particulars	Foot Note	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits	16.1	103.94	88.65
Provision for Doubtful Assets	16.2	99.61	99.50
Other Provisions	16.3	218.41	251.95
		<b>421.96</b>	<b>440.10</b>
Less: Impairment Provision for Doubtful Assets (Presented Separately)	16.2	99.61	99.50
<b>Total</b>		<b>322.35</b>	<b>340.60</b>
<b>Current</b>		<b>242.58</b>	<b>265.32</b>
<b>Non Current</b>		<b>79.77</b>	<b>75.28</b>

The disclosure of provisions movement as required under the requirements of Ind AS 37 is as follows:

#### 16.1 Provision for Employee Benefits :

##### (a) Provision for Retirement Benefits

(₹ in crore)

Particulars	Leave Salary	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Total
<b>As at 1<sup>st</sup> April-2018</b>	<b>58.60</b>	<b>1.29</b>	<b>12.81</b>	<b>72.70</b>
Current	5.67	1.29	12.81	19.77
Non Current	52.93	-	-	52.93
Provision made during the year	10.36	0.01	4.78	15.15
Less: Utilization during the year	(6.79)	(0.02)	(8.32)	(15.13)
Less: Write Back during the year	-	-	-	-
(Exchange Gain) / Loss	0.06	-	-	0.06
<b>As at 31<sup>st</sup> March-2019</b>	<b>62.23</b>	<b>1.28</b>	<b>9.27</b>	<b>72.78</b>
Current	6.91	0.14	9.27	16.32
Non Current	55.32	1.14	-	56.46

##### (b) Provision for other Employee Benefits

(₹ in crore)

Particulars	Performance Related Pay	Leave Travel Concession	Total
<b>As at 1<sup>st</sup> April 2018</b>	<b>15.91</b>	<b>0.04</b>	<b>15.95</b>
Current	15.91	0.01	15.92
Non Current	-	0.03	0.03
Provision made during the year	20.73	0.13	20.86
Less: Utilization during the year	(5.39)	(0.01)	(5.40)
Less: Write Back during the year	(0.25)	-	(0.25)
<b>As at 31<sup>st</sup> March-2019</b>	<b>31.00</b>	<b>0.16</b>	<b>31.16</b>
Current	31.00	0.02	31.02
Non Current	-	0.14	0.14
<b>Total Provision for Employee Benefits (a+b)</b>			
<b>At 31<sup>st</sup> March-2019</b>			<b>103.94</b>
<b>At 31<sup>st</sup> March-2018</b>			<b>88.65</b>



## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 16.2 Provision for Doubtful Assets :

( ₹ in crore)

Particulars	Doubtful Debts	Doubtful Advances	Total
<b>As at 1<sup>st</sup> April 2018</b>	<b>26.72</b>	<b>72.78</b>	<b>99.50</b>
Current	26.72	72.78	99.50
Non Current	-	-	-
Provision made during the year	0.83	1.84	2.67
Less: Utilization during the year	(0.27)	(0.41)	(0.68)
Less: Write Back during the year	-	(1.87)	(1.87)
(Exchange Gain) / Loss	-	-	-
<b>As at 31<sup>st</sup> March-2019</b>	<b>27.28</b>	<b>72.34</b>	<b>99.62</b>
Current	27.28	72.34	99.62
Non Current	-	-	-

### 16.3 Other Provisions :

( ₹ in crore)

Particulars	Demobilisation	Maintenance	Foreseeable Loss	Design Guarantee	Legal Cases	Other Expenses	Total
<b>As at 1<sup>st</sup> April 2018</b>	<b>13.64</b>	<b>57.38</b>	<b>3.25</b>	<b>14.95</b>	<b>92.67</b>	<b>70.06</b>	<b>251.95</b>
Current	12.84	35.86	3.25	14.95	92.67	70.06	229.63
Non Current	0.80	21.52	-	-	-	-	22.32
Provision made during the year	0.29	8.44	-	-	15.44	19.99	44.16
Less: Utilization during the year	(0.06)	(18.12)	(0.36)	-	(5.86)	(1.99)	(26.39)
Less: Write Back during the year	(1.14)	(0.47)	(2.89)	(14.98)	(33.94)	(0.74)	(54.16)
(Exchange Gain) / Loss	0.66	0.66	-	0.03	-	(0.57)	0.78
Unwinding of discount	0.01	2.06	-	-	-	-	2.07
<b>As at 31<sup>st</sup> March-2019</b>	<b>13.40</b>	<b>49.95</b>	<b>-</b>	<b>-</b>	<b>68.31</b>	<b>86.75</b>	<b>218.41</b>
Current	12.38	27.80	-	-	68.31	86.75	195.24
Non Current	1.02	22.15	-	-	-	-	23.17

### 17. Other Non- Current Liabilities

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>a) Contract Liability</b>		
Advance from clients	678.58	817.51
<b>b) Others</b>		
Others	-	0.56
<b>Total</b>	<b>678.58</b>	<b>818.07</b>

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### 18. Financial Liabilities (Current)

#### 18.1 Trade Payables

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
(A) Micro, Small & Medium Enterprises (Refer Note no. 45)	17.04	5.67
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers (Refer Note No. 27)	529.98	503.32
(ii) Related Parties	1.58	4.05
<b>Total</b>	<b>548.60</b>	<b>513.04</b>

#### 18.2 Other Financial Liabilities

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long-Term Debt :Loan From Indian Railway Finance Corporation	516.53	-
Interest Accrued on Loan from Indian Railway Finance Corporation	272.77	-
Gratuity Payable	4.01	16.15
Deposits, Retention money and Money Withheld (Refer Note No. 27)	737.85	517.73
Amount Payable to Client	474.02	335.13
Interest Payable on Advance from Client (Refer Note No. 27)	204.89	166.51
Other Payables (including Staff Payable) (Refer Note No. 27)	84.12	72.86
<b>Total</b>	<b>2,294.19</b>	<b>1,108.38</b>

### 19. Other Current Liabilities

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>a) Contract Liability</b>		
Advance from clients	2,058.02	2,351.75
- Less: Deposits under protest	(218.65)	(218.65)
Advance contract receipts	229.41	223.56
<b>b) Other Advances</b>		
Advance from others	1.33	-
<b>c) Others</b>		
Statutory dues	196.47	207.89
<b>Total</b>	<b>2,266.58</b>	<b>2,564.55</b>

#### 19.1 Current Tax Liability (Net)

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for tax (Net of Advance Tax)	8.60	14.13
<b>Current tax Liability (Net)</b>	<b>8.60</b>	<b>14.13</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 20. Revenue from Operations

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Contract Revenue (Refer Note No. 27)	4,368.74	3,774.17
Machinery Hire Charges	11.41	5.50
Other Revenue		
- Amortisation of Financial Instruments (Refer Note no. 27 & 51)	-	48.77
- Other Operating Revenue	28.09	35.86
<b>Total</b>	<b>4,408.24</b>	<b>3,864.30</b>

### 21. Other Income

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Interest Income :</b>		
Interest on Tax Free Bonds	22.07	22.08
Interest on Refund of Income-tax	34.81	19.54
Interest on Staff Advances	0.14	0.18
Interest on Loan to Related Parties *	85.10	63.15
Interest on Other Advances	11.40	1.13
Interest Income on Unwinding of Financial Instruments	0.39	7.69
Bank Interest Gross (Refer Note No. 27)	190.98	240.38
Less:- Interest Passed to Clients	<u>(129.33)</u>	<u>(166.61)</u>
<b>Others :</b>		
Profit on Sale of Assets	15.59	4.08
Miscellaneous Income (Refer Note No. 27)	23.65	23.87
Exchange Fluctuation Gain	-	31.94
Less:- Exchange Fluctuation Loss	<u>-</u>	<u>(30.64)</u>
Dividend Income	14.68	16.34
Less:-Dividend Passed to Clients	<u>(5.04)</u>	<u>(2.33)</u>
<b>Total</b>	<b>264.44</b>	<b>230.80</b>

#### \* Interest on Loan to Related Parties:

(₹ in crore)

Particulars	2018-19	2017-18
- Ircon Infrastructure & Services Limited	-	1.19
- Chhattisgarh East Railway Limited	-	10.44
- Chhattisgarh East-West Railway Limited	4.88	3.08
- Ircon Shivpuri Guna Tollway Limited	52.60	31.80
- Ircon Davanagere Haveri Highway Limited	2.40	-
- Ircon PB Tollway Limited	25.22	16.64
<b>Total</b>	<b>85.10</b>	<b>63.15</b>

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### 22. (i) Materials and Stores Consumed

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance		32.24	38.92
Add: Purchases during the year	(i)	413.22	342.61
		<u>445.46</u>	<u>381.53</u>
Less: Closing Balance		<u>(54.77)</u>	<u>(32.24)</u>
<b>Total</b>		<b>390.69</b>	<b>349.29</b>

 (i) Includes Exchange gain/ loss of **Rs. 0.80 crore** (As at 31st March 2018 : Rs. 0.10 crore).

### 22. (ii) (Increase) / Decrease in WIP

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance		108.31	98.64
Add: Adjustments during the year	(i)	(0.51)	(0.89)
		<u>107.80</u>	<u>97.75</u>
Less: Closing Balance		<u>(277.17)</u>	<u>(108.31)</u>
<b>Total</b>		<b>(169.37)</b>	<b>(10.56)</b>

 (i) Includes Exchange gain/ loss of **Rs. 0.51 crore** (As at 31st March 2018 : Rs. 0.89 crore).

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 22. (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2019	For the year ended 31st March 2018
Work Expenses (Refer Note No. 27)		3,401.52	2,822.36	-	-
Design, Drawing, Business Development & Consultancy Charges		9.21	13.77	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		12.95	11.81	-	-
Repairs and Maintenance of Machinery		6.28	6.33	-	-
Hire Charges of Machinery		7.63	2.79	-	-
Exchange Fluctuation Loss		-	-	24.85	-
Less:- Exchange Fluctuation Gain		-	-	(22.37)	-
Net Exchange Fluctuation Loss		-	-	2.48	-
Rent - Non-residential		5.78	4.99	1.57	1.42
Rates and Taxes		32.00	27.02	0.45	1.01
Vehicle Operation and Maintenance		15.75	9.95	1.48	1.61
Repairs and Maintenance					
- Building		0.13	0.12	0.79	0.85
- Office and Others		4.13	10.91	4.87	3.59
Power, Electricity and Water Charges (Refer Note No. 27)		2.75	2.34	1.59	1.43
Insurance		4.70	5.50	0.25	0.15
Travelling & Conveyance		13.86	10.78	2.16	2.13
Printing & Stationery		1.33	1.37	0.78	0.93
Postage, Telephone & Telex		1.53	1.46	0.62	0.64
Legal & Professional Charges (Refer Note No. 27)		19.05	8.04	7.42	6.59
Security Services		2.76	3.13	0.62	0.25
Listing Expenses (Refer note No. 13 (i))		-	-	4.19	-
Business Promotion		0.21	0.33	0.62	0.89
Write-off of :					
- Debts		0.27	-	-	-
- Advances		0.37	-	-	-
- Other Assets		0.30	0.29	-	-
Loss on sale of Assets / Stores		-	-	1.16	0.10
Director Sitting Fee		-	-	0.14	0.14
Donation		-	-	0.03	0.01
Auditors Remuneration	(i)	-	-	0.80	0.66
Advertisement & Publicity		-	-	5.57	7.43
Training & Recruitment		-	-	1.50	1.75
Corporate Social Responsibility (Refer Note 46)		-	-	8.75	8.73
Miscellaneous expenses		5.92	4.19	1.61	1.63
Provisions (Addition - Write Back)					
(Refer Note 16)		(9.21)	(9.64)	-	-
Provisions Utilised (Refer Note 16)		(27.07)	(47.27)	-	-
<b>Total</b>		<b>3,512.15</b>	<b>2,890.57</b>	<b>49.45</b>	<b>41.94</b>

#### (i) Payment to Statutory Auditors:

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Audit Fee - current year	0.39	0.39
(b) Tax Audit Fees - current year	0.12	0.12
(c) Fee for Quarterly Limited Review	0.10	-
(d) Certification Fees	0.05	0.03
(e) Travelling & out of pocket expenses:		
- Travelling Expenses	0.05	0.05
- Out of Pocket Expenses	0.09	0.07
<b>Total</b>	<b>0.80</b>	<b>0.66</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 23. Employee Remuneration and Benefits

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019			For the year ended 31st March 2018		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	152.78	55.15	207.93	131.75	47.21	178.96
Contribution to Provident and Other Funds		8.34	3.62	11.96	8.09	3.72	11.81
Foreign Service Contribution		1.70	0.23	1.93	1.14	1.23	2.37
Retirement Benefits		16.37	10.84	27.21	13.40	24.44	37.84
Staff Welfare		1.37	0.30	1.67	1.13	0.64	1.77
<b>Total</b>		<b>180.56</b>	<b>70.14</b>	<b>250.70</b>	<b>155.51</b>	<b>77.24</b>	<b>232.75</b>

**Foot Notes:-**

 (i) Includes income-tax on non-monetary perks **Rs. 0.56 crore** (As at 31st March 2018 : Rs. 0.22 crore).

### 24. Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019		For the year ended 31st March 2018	
Interest Expense	(i)	282.79		3.08	
Less: Interest on Advance to Rail Land Development Authority (RLDA)		(278.36)	4.43	(3.08)	-
Other Borrowing Cost - Bank Guarantee & Other Charges			8.66		6.18
Interest on Unwinding of Financial Instruments (Refer Note no. 51)			0.01		49.20
Amortisation of Financial Instruments (Refer Note no. 51)			0.39		7.61
Unwinding of Discount on Provisions			2.08		1.81
<b>Total</b>			<b>15.57</b>		<b>64.80</b>

**Foot Notes:-**

 (i) Includes interest on income-tax **Rs. 1.51 crore** (As at 31st March 2018 : Rs. 0.003 crore).

### 25. Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Property, Plant and equipment	11.22	12.36
Intangible Assets	0.44	0.45
Investment Property	0.04	0.05
<b>Total</b>	<b>11.70</b>	<b>12.86</b>

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### 26. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below (₹ in crore)

Particulars	Remeasurement Gain / (Loss) on Defined Benefit Plans (Presented in Retained earnings)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Remeasurement Gain/(Loss) on Defined Benefit Plans	1.97	(2.75)
Income Tax relating to Items that will not be reclassified to profit or loss	(0.69)	0.95
<b>Total</b>	<b>1.28</b>	<b>(1.80)</b>

(₹ in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Foreign Exchange Translation Differences	(13.94)	4.86
Income Tax relating to Items that will be reclassified to profit or loss	4.87	(1.68)
<b>Total</b>	<b>(9.07)</b>	<b>3.18</b>
<b>Grand Total</b>	<b>(7.79)</b>	<b>1.38</b>

### 27. Prior Period Errors

Impact on equity {increase/(decrease)} (₹ in crore)

Particulars	As at 31st March 2018	On & Before 31st March 2017
Trade Payable current	(0.18)	-
Other Financial Liabilities current	4.56	2.44
Cash & Cash Equivalents	0.06	-
Current Tax Assets	0.04	-
Other Financial Assets current	(0.88)	-
Trade Receivables	(6.56)	-
<b>Net Impact on Equity (Decrease)</b>	<b>(2.96)</b>	<b>2.44</b>

Impact on statement of profit and loss {increase/(decrease)} (₹ in crore)

Particulars	31st March 2018	On & Before 31st March 2017
Revenue from Operations	(5.74)	-
Other Income	3.86	-
Project Expenses	(0.18)	-
Employee Remuneration and Benefits - Other Expenses	(0.88)	-
Other Expenses	(0.02)	-
<b>Attributable to Equity Holders</b>	<b>(2.96)</b>	<b>-</b>

Impact on basic and diluted earnings per share (EPS) {(increase/(decrease))} (₹ in crore)

Particulars	31st March 2018	On & Before 31st March 2017
<b>Earnings per share for continuing operation</b>		
Basic, profit from continuing operations attributable to equity holders	(0.30)	-
Diluted, profit from continuing operations attributable to equity holders	(0.30)	-

## Notes to Standalone Financial Statements for the financial year March 31, 2019

**28.**
**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, 2019 are as follows: \*

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss (FVTPL)</b>				
Investment in Mutual Funds	99.73	99.73	-	-
<b>Total</b>	<b>99.73</b>	<b>99.73</b>	-	-
<b>Financial Assets at Amortized Cost</b>				
(i) Investments				
Investments in Subsidiaries and Joint Venture**	923.10	-	-	-
Investments in Tax Free Bonds (including accrued interest)	309.23	-	-	-
(ii) Loans	1,070.75	-	-	-
(iii) Trade Receivables	505.14	-	-	-
(iv) Cash and Cash Equivalents	875.24	-	-	-
(v) Other Bank Balances	2,057.50	-	-	-
(vi) Other Financial Assets***	4,307.69	-	-	-
<b>Total</b>	<b>10,048.65</b>	-	-	-

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	2,560.00	-	-	
(ii) Trade Payables	548.60	-	-	
(iii) Other Financial Liabilities***	2,635.19	-	-	
<b>Total</b>	<b>5,743.79</b>			

b) The carrying values and fair values of financial instruments by categories as at 31st March, 2018 are as follows: \*

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss (FVTPL)</b>				
Investment in Mutual Funds	216.17	216.17	-	-
<b>Total</b>	<b>216.17</b>	<b>216.17</b>	-	-
<b>Financial Assets at Amortized Cost</b>				
(i) Investments				
Investments in Subsidiaries and Joint Venture**	693.14	-	-	
Investments in Tax Free Bonds (including accrued interest)	309.24	-	-	
(ii) Loans	808.21	-	-	
(iii) Trade Receivables	667.19	-	-	
(iv) Cash and Cash Equivalents	1,525.73	-	-	
(v) Other Bank Balances	3,074.77	-	-	
(vi) Other Financial Assets***	3,451.59	-	-	
<b>Total</b>	<b>10,529.87</b>	-	-	-



## Notes to Standalone Financial Statements for the financial year March 31, 2019

(₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	3,200.00	-	-	-
(ii) Trade Payables	513.50	-	-	-
(iii) Other Financial Liabilities***	1,498.31	-	-	-
<b>Total</b>	<b>5,211.81</b>	-	-	-

The fair values of the financial assets and financial liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the financial year 2017-18. 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) The carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements are at reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- iii) The carrying amounts of current financial assets and current financial liabilities approximate their fair value mainly due to their short term nature.

\* During the financial year 2018-19 and 2017-18, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

\*\* Investment in subsidiaries and joint ventures are measured at cost.

\*\*\* Other financial assets and other financial liabilities includes certain items which are recognized at transaction price, as the effect of measuring these at fair value is immaterial.

### B. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The Company's principal financial assets include loans to related parties, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds investment in mutual funds and tax free bonds. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

#### a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Foreign currency risk and Interest rate risk. Financial instruments affected by market risk includes borrowings, trade receivables, trade payable and other non derivative financial instruments.

#### (i) Foreign Currency Risk

The company operates internationally and is exposed to insignificant foreign currency risk (since receipts & payments in foreign currency are generally matched) arising from foreign currency transactions, primarily with respect to the US \$, EURO, YEN, BDT, DZD, LKR, MZN, BTN, ZAR, NPR and MYR. Significant foreign currency risk of company are naturally hedged. As of March 31, 2019 and March 31, 2018, every 1% increase or decrease of the respective foreign currency would impact our profit before tax by approximately Rs. 1.41 crore and Rs. 0.70 crore respectively.

#### (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.

#### Trade and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

The following table gives details in respect of revenues generated from top five projects.

( ₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from top 5 Projects	2,129.33	1,913.95
	<b>2,129.33</b>	<b>1,913.95</b>

### Exposure to Credit Risk

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)</b>		
Non Current Investments	1,232.33	1,002.35
Non Current Loans	995.81	806.34
Other Non Current Financial Assets	2,707.64	2,729.41
Current Investments	99.73	216.17
Cash and Cash Equivalents	875.24	1,525.73
Other Bank Balances	2,057.50	3,074.77
Current Loans	74.94	1.87
Other Current Financial Assets	1,214.68	359.62
<b>Financial Assets for which allowance is measured using Simplified Approach</b>		
Trade Receivables	532.42	693.90
Contract Assets	397.57	376.23

### Summary of change in loss allowances measured using Simplified approach

( ₹ in crore)

Particulars	31st March 2019	31st March 2018
<b>Opening Allowance</b>	<b>28.28</b>	<b>20.85</b>
Provided during the year	0.83	6.65
Utilization during the year	0.27	-
Amount written-off	-	0.78
<b>Closing Allowances</b>	<b>29.38</b>	<b>28.28</b>

During the year, the Company has recognised loss allowance of **Rs. 0.83 crore** (31st March, 2018 : Rs. 6.65 crore ).

### Summary of change in loss allowances measured using Lifetime Expected Credit Losses (LECL) approach

( ₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Opening Allowances</b>	<b>13.64</b>	<b>13.64</b>
Provided during the year	0.69	0.51
Utilization during the year	(0.27)	-
Amount written-off	(1.86)	(0.53)
(Exchange Gain) / Loss	-	0.02
<b>Closing Allowances</b>	<b>12.20</b>	<b>13.64</b>

No significant changes in estimation techniques or assumptions were made during the reporting period. During the year, the Company has recognised loss allowance of **Rs. 0.69 crore** (31st March, 2018 : Rs. 0.51 crore ).

### c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. The treasury department regularly monitors the position of Cash and Cash Equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position. The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The senior Management of the Company oversees its investment strategy and achieve its investment objectives. The Company typically invests in government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss. The NHAI bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

The table below provides details regarding the significant financial liabilities as at 31st March 2019 and 31st March 2018

( ₹ in crore)

Particulars	As at 31st March, 2019		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	640.00	1,920.00
Trade payables	548.60	-	-
Other financial liabilities	2,294.19	341.00	-

( ₹ in crore)

Particulars	As at 31st March, 2018		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	640.00	2,560.00
Trade payables	513.04	0.46	-
Other financial liabilities	1,108.38	389.93	-

### 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.

### 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	During the year ended 31st March 2019	During the year ended 31st March 2018
Dividend Paid	198.07	192.40
<b>Total</b>	<b>198.07</b>	<b>192.40</b>

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Consequent upon Govt. of India decision to disinvest 99,05,157 number of shares of the company, shares of the company were listed on NSE and BSE on 28th September 2018 and the proceeds have been realized by Govt. of India.

Loan raised by the Company from IRFC in the financial year 2017-18 which in turn has been given to RLDA will be repaid from the amount received from RLDA.

#### Debt Equity Ratio :-

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Borrowings (Note No. 15.1)	2,560.00	3,200.00
<b>Long Term Debt</b>	<b>2,560.00</b>	<b>3,200.00</b>
Equity (Note No. 13)	94.05	94.05
Other Equity (Note No. 14)	3,855.49	3,657.39
<b>Total Equity</b>	<b>3,949.54</b>	<b>3,751.44</b>
<b>Debt Equity Ratio</b>	<b>0.65</b>	<b>0.85</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### Notes to Financial Statement for the financial year Ended 31st March 2019

#### 29. Contingent liabilities and Contingent Assets:

##### (I) Contingent Liabilities:

##### (a) Claims against the company not acknowledge as debt;

- i. **Rs. 493.73 crore** (Rs. 421.08 crore) net of provision of **Rs. 66.12 crore** (Rs. 69.38 crore). Against this the Company has counter claims of **Rs. 185.79 crore** (Rs. 258.41 crore). Interest on claims is not considered, being unascertainable.
- ii. 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.
- iii. **Rs. 237.25 crore** (Rs. 292.35 crore) relating to Direct tax which includes **Rs. 229.21 crore** (Rs. 197.23 crore) on account of appeal filed by Income tax department before Income Tax Appellate Tribunal (ITAT) & High Court against order passed by Commissioner of Income Tax (Appeals) & ITAT in favour of company.
- iv. Indirect tax disputed demands under appeal **Rs. 357.81 crore** (Rs.327.51 crore) of which **Rs. 110.44 crore** (Rs. 110.44 crore) has been reimbursed by the client and **Rs. 167.82 crore** (Rs. 43.89 crore) are reimbursable from the clients.

Movement in respect of claims/ demand at S. No. (I), (iii) and (iv) are as under:

( ₹ in crore)

S. No.	Particulars	Balance as at 31st March 2018	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31st March 2019
(i)	Claims against company (net of provision made)	421.08	64.18	136.83	493.73
(ii)	Demand relating to Direct Tax	292.35	63.14	8.04	237.25
(iii)	Indirect tax disputed demands under appeal	327.51	1.41	31.71	357.81
	<b>Total</b>	<b>1040.94</b>	<b>128.73</b>	<b>176.58</b>	<b>1088.79</b>

##### (b) Guarantees excluding financial guarantee

##### In respect of Joint arrangements:

- i. Sales-tax liability of International Metro Civil Contractor of **Rs. 4.25 crore** (Rs. 4.25 crore) and Service Tax **Nil** (Rs. 1.01 crore).
  - ii. Bank guarantee in case of Ircan-RCS-PFLEIDERER of **Rs. 1.40 crore** (Rs. 1.40 crore).
  - iii. Income Tax liability in the case of Metro Tunnelling Group of **Rs. 0.01 crore** (Rs.0.01 crore). Regular assessment for FY 2010-11, 2012-13 & 2013-14 has resulted in a demand of **Rs. 0.24 crore** as on 31.03.2019. The JV is disputing the assessment and has filed appeals against the orders
  - iv. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is **Rs. 0.02 crore** (Rs. 0.02 crore).
  - v. Bank Guarantee in case of Ircan-Afcon JV for **Nil** (Rs. 14.28 crore) for Bhairab Railway Bridge Project, Bangladesh.
  - vi. Bank Guarantee in case of Ircan Infrastructure & Services Limited (IISL) for **Rs. 4.02** (Rs. 4.02 crore).
- c) Other money for which company is contingent liable.

( ₹ in crore)

S. No.	Particulars	Balance as at 31st March 2018	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31st March 2019
(i)	Liquidated damages pending disposal of application for extension of time by clients	9.67	0.40	Nil	9.27

##### (II) Contingent Assets:

- i) 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 **Rs. 398.57 crore** (Rs.178.79 crore) including interest calculated up to 31.03.2019 as per arbitration award.
- ii) 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 **Rs. 19.96 crore** (Rs. 13.80 crore).
- iii) Insurance Claim of **USD 0.86 Mn** (USD 0.84 Mn) and Ethiopian Birr **1.05 Mn** (ETB 1.00 Mn) equivalent to **Rs. 6.14 crore** (Rs. 5.66 crore) including interest calculated upto 31.03.2019 awarded by Honourable Supreme Court of Ethiopia in favour of

## Notes to Standalone Financial Statements for the financial year March 31, 2019

company has not been accounted for, pending execution order by High Court of Ethiopia.

- iv) In one of the projects under Mumbai Region Claims made by company on JV company, ISTPL amounting to **Rs 84.52 crore** raised in 2011 on account of Royalty, maintenance, idle plant and machinery and other compensations. An amount of **Rs 45.00 crore** has been received as advance pending settlement of claim.

### 30. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is **Rs. 56.15 crore** (Rs. 85.91 crore).

### b) Other Commitments:

Commitments for fund/providing guarantee to/on behalf of subsidiaries/ joint arrangements:

- i) Counter guarantee to Indian Overseas Bank, State Bank of India & ICICI Bank for issuance of bank guarantee to subsidiary companies amounting to **Rs. 500.00 crore** (Rs. 150.00 crore). Out of the total limit of Rs 500.00 crore, Indian Overseas Bank & ICICI Bank have issued bank guarantees to the extent of **Rs. 354.73 crore** (Rs. 104.39 crore). Therefore, the balance limit for issuance of bank guarantees is **Rs. 145.27 crore** (Rs. 45.61 crore).
- ii) For subscribing towards balance share of equity of **Rs. 178.71 crore** (Rs. 293.82 crore) to subsidiary and joint venture company.
- iii) For release of balance shareholder's loan of Rs. 1442.82 crore (Rs. 979.44 crore) to subsidiary companies.
- iv) Counter guarantee to State bank of India for issuance of letter of credit to Joint operation, Ircon Afcons JV, amounting to **Nil** (Rs. 30.93 crore).
31. There are certain claims against the Company not acknowledged as debt **Rs. 2018.05 crore** (Rs. 1,098.26 crore) net of provisions of **Rs. 1.13 crore** (Rs. 1.13 crore). In case, such claims against the Company do materialize, it will be reimbursable from the clients. Against this, the company has counter claims of **Rs. 1474.28 crore** (Rs. 1,062.59 crore). Interest on claims not considered, being unascertainable but would also be reimbursable.
32. The Company is liable to pay **Nil** (Rs. 0.04 crore) on account of taxes on construction profits of Sri Lanka projects which shall be directly reimbursed by Sri Lankan Railway to Sri Lankan Inland Revenue Department.
33. (a) The company has made a provision for tax without considering the deduction under section 80IA of Income Tax Act 1961. For the period commencing from AY 2000-01 to 2018-19, deduction u/s 80-IA was allowed to company by CIT (A) for six different years (AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15) and for AY 2000-2001 it was allowed by ITAT. Out of these years company is still carrying provision for deduction u/s 80-IA for the AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 having conservative approach, considering appeals filed by department against company for these years. However, AY 2014-15 onwards, after allowance of deduction u/s 80-IA by CIT (A) company writes back provision made against deduction u/s 80-IA.
- (b) The company is offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign country are excluded from global income offered for taxation. The company was allowed exclusion method upto AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals which are pending for disposal before ITAT.
- 34.(a) The Company had 25% equity stake in Comphanhia Dos Caminhos De Ferro Da Beira SARL Mozambique (CCFB), a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and had paid USD 1.25 Mn (Rs. 5.53 Crores. Other shareholders were RITES & CFM, Mozambique with 26% & 49% share respectively.
- (b) On 8th December 2011, Government of Mozambique (GoM) unilaterally terminated the concession agreement and took over the project which in the opinion of company was unlawful and against the provision of agreement. Consequently, CCFB initiated arbitration against the said decision of GoM. Dispute has now been amicably settled with Government of Mozambique on 21st October 2015 through settlement agreement. As per the settlement agreement, IRCON will get in installments an amount of USD 40.31 Million and out of this 34.72 Mn USD (equivalent to INR 236.25 crore) was received up to October 2018. Balance installments of USD 5.595 Mn is due on 18.10.2019 which will be received through the confirmed Letter of Credit opened by Government of Mozambique.
35. (a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.
- (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

### 36.(a) Foreign exchange recognized in the statement of profit and loss:

( ₹ in crore)

Particulars	31st March 2019	31st March 2018
i) Profit or (Loss )	(2.48)	1.30
ii) Other Comprehensive Income	(13.94)	4.86
<b>TOTAL</b>	<b>(16.42)</b>	<b>6.16</b>

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### (b) Disclosure of unhedged foreign currency exposure

The unhedged foreign currency exposure is as under:

(₹ in crore)

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
<b>Assets :</b>					
Advance to Contractors					
	DZD	0.43	0.25	0.07	0.04
	ZAR	0.32	1.53	0.87	4.85
	BDT	13.36	11.03	0.48	0.37
	ETB	-	-	0.02	0.05
	NPR	-	-	1.37	0.86
Trade Receivables					
	BDT			29.97	23.25
	DZD	39.66	23.00	32.85	18.81
	Euro	0.27	20.75	1.68	130.29
	MYR	0.01	0.09	0.20	3.37
	ZAR	-	-	0.70	3.90
	USD	1.62	111.35	0.31	20.18
	JPY	113.37	73.09		
Cash & Bank Balances					
	BDT	2.35	1.93	2.70	2.08
	DZD	111.19	64.49	116.24	62.84
	ETB	-	-	0.00	0.01
	Euro	0.13	9.81	0.17	11.79
	LKR	2.98	1.17	2.97	1.24
	MYR	0.53	9.04	0.43	7.30
	ZAR	3.85	18.36	7.02	39.17
	USD	0.57	39.30	0.66	42.28
Other Assets					
	DZD	50.12	29.38	0.90	0.51
	ETB	-	-	0.07	0.18
	MZN	-	-	0.06	0.06
	Euro	0.01	1.03	0.32	25.70
	LKR	0.23	0.09	0.22	0.09
	MYR	0.03	0.49	0.04	0.68
	BDT	65.18	53.62	0.12	0.09
	ZAR	2.79	13.31	4.70	26.24
	USD	0.11	7.38	1.77	114.92
	NPR	-	-	2.63	1.65
<b>Liabilities :</b>					
Advance from Client					
	BDT	-	-	109.71	85.11
	MYR	0.04	0.63	-	-
	USD	1.24	86.70	-	-

## Notes to Standalone Financial Statements for the financial year March 31, 2019

(₹ in crore)

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Foreign Currency in Crore	INR Crore	Foreign Currency in Crore	INR Crore
<b>Trade Payable</b>					
	BDT	13.26	10.90	0.14	0.10
	DZD	27.32	15.85	13.26	7.59
	Euro	0.70	14.87	0.54	42.47
	JPY	39.43	24.62	0.05	0.03
	LKR	0.03	0.01	-	-
	MYR	0.04	0.73	0.02	0.36
	ZAR	0.61	2.91	1.56	8.73
	USD	0.82	57.31	1.18	77.80
<b>Other Liabilities</b>					
	BDT	45.13	37.12	3.51	2.72
	DZD	63.73	37.03	4.85	2.77
	ETB	-	-	1.36	3.23
	Euro	0.06	4.49	0.12	9.96
	LKR	1.51	0.59	-	-
	MYR	0.13	2.14	0.11	1.89
	ZAR	6.62	31.58	16.89	94.22
	USD	0.31	21.18	1.18	134.80
	NPR	-	-	2.06	1.29

The unhedged foreign currency exposures are naturally hedged.

DZD- Algerian Dinar, ZAR-South African Rand, LKR-Sri Lankan Rupee, ETB-Ethiopian Birr, MYR-Malaysian Ringgit, NPR-Nepalese Rupee, MZN-Mozambican Metical, BTN-Bhutanese Ngultrum, BDT-Bangladeshi Taka, AUD-Australian Dollar, JPY-Japanese Yen

### 37. Disclosure regarding Leases:

#### I. Assets taken on operating lease:

The Company's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. Most of the leasing arrangements are cancellable and are usually renewable on mutually agreed terms. The amounts of lease payments during the year are as under:

- (a) Lease payments (net of recoveries) in respect of premises for residential use of employees **Rs. 3.31 crore** (Rs.3.55 crore) (included in salaries and wages note 23).
- (b) Lease payments in respect of office premises, guesthouses and transit camps **Rs. 7.35 crore** (Rs. 6.41 crore) (included in Project Expenses and Other Expenses note 22).

#### II. Assets given on operating lease:

- (a) The Company has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements.
- (b) The amount of lease rent received during the year is as under:
  - i. Lease rent in respect of non-residential premises **Rs. 8.20 crore** (Rs. 7.89 crore) (included in miscellaneous income note 21).
  - ii. Lease rent in respect of Plant and Machinery **Rs. 11.41 crore** (Rs. 5.50 crore) (included in Machinery Hire Charges lease note 20).
- (c) Future minimum lease rental receivable as on 31.03.2019 in respect of non – cancellable operating lease for each of the following period is as under:

(₹ in crore)

Lease Rent Receivable	31st March 2019	31st March 2018
Within One year		
- Premises	0.39	0.37
- Plant and Machinery	Nil	Nil
After one year but not more than five years		
- Premises	2.27	2.16
- Plant and Machinery	Nil	Nil
More than five years		
- Premises	0.43	0.93
- Plant and Machinery	Nil	Nil

## Notes to Standalone Financial Statements for the financial year March 31, 2019

(d) Details of assets given on lease during the year:

Particulars	As at 31st March 2019		As at 31st March 2018	
	Premises	Plant and Machinery	Premises	Plant and Machinery
Gross Carrying amount of assets	3.51	6.45	3.51	6.42
Depreciation for the year	0.06	0.28	0.06	0.59
Impairment loss for the year	-	-	-	-
Accumulated Depreciation	0.52	3.12	0.47	2.83

### 38. Segment Reporting:

#### A. General Information:

- (i) The Company has determined reportable operating segments from geographical perspective.
- (ii) The Company's source of risk and rewards are derived from the units spread across the globe and hence, International projects and Domestic projects are considered as individual operating segments.
- (iii) The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).
- (iv) These operating segments are monitored by company's Chief Operating Decision Maker (CODM) and strategic decisions are made on the basis of segments results. Segment performance is evaluated based on the profit of each segment.

#### B. Information about reportable segments and reconciliation to amounts reflected in the financial statements:

( ₹ in crore)

Particulars	International		Domestic		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
<b>Segment Revenue</b>						
Revenue from External Customers	580.19	575.04	3828.05	3289.26	4408.24	3864.30
Add: Company share of turnover in Integrated Joint operations	5.36	26.09	1.50	0.25	6.86	26.34
Interest Income	5.61	6.02	209.95	181.52	215.56	187.54
Other Income	13.30	15.23	35.58	28.03	48.88	43.26
Inter-segment	0.00	-	0.00	-	0.00	-
<b>Total Revenue</b>	<b>604.46</b>	<b>622.38</b>	<b>4075.08</b>	<b>3,499.06</b>	<b>4679.54</b>	<b>4121.44</b>
<b>Segment Result</b>						
Profit before Provision, Depreciation, Interest, Exceptional item and Tax	33.07	13.50	589.03	520.07	622.10	533.57
<b>Less: Provision &amp; write backs (Net)</b>	<b>(7.48)</b>	<b>(44.46)</b>	<b>(1.73)</b>	<b>34.82</b>	<b>(9.21)</b>	<b>(9.64)</b>
Depreciation, amortization and impairment	4.14	3.76	7.56	9.10	11.70	12.86
Interest	0.00	0.00	4.43	-	4.43	-
Exceptional Items	0.00	0.00	0.00	-	0.00	-
<b>Profit before Tax</b>	<b>36.41</b>	<b>54.20</b>	<b>578.77</b>	<b>476.15</b>	<b>615.18</b>	<b>530.35</b>
Tax Expense	19.07	24.75	151.43	117.70	170.50	142.45
<b>Profit after Tax</b>	<b>17.34</b>	<b>29.45</b>	<b>427.34</b>	<b>358.45</b>	<b>444.68</b>	<b>387.90</b>



## Notes to Standalone Financial Statements for the financial year March 31, 2019

### C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Assets	600.77	600.01	12368.67	12100.59	12969.44	12700.60
Liabilities	613.59	465.70	8406.31	8483.46	9019.90	8949.16
Investment in Joint Ventures accounted for by the equity method	-	-	-	-	-	-
Non-Current Assets Other than financial instruments, deferred tax assets, net defined benefit assets	32.26	30.69	778.41	604.44	810.67	635.13
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets and Intangible assets under development)	0.73	2.99	174.94	58.41	175.67	61.40

### D. Information about major Customers:

During the period ended March 31, 2019, Operating Revenue of approximately **73.93 %** (50.90%) derived from a single external customer in Domestic Segment.

### 39. Interest in other Entities

#### A- Disclosure in respect of Joint arrangements

(a) Unincorporated Joint operations:

i) For projects in operation:

(₹ in crore)

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at (Committed as per Agreements)	
				31st March 2019	31st March 2018
1.	IRCON-AFCONS	Bangladesh	Ircon, India	53.00	53.00
			Afcons Infrastructure Ltd., India	47.00	47.00
2.	Express Freight Consortium	Gujarat, Maharashtra, India	Mitsui, Japan	51.00	51.00
			Ircon, India	30.00	30.00
			Tata Project Ltd., India	19.00	19.00
3.	Express Freight Railway Consortium	Maharashtra, India	Mitsui, Japan	51.00	51.00
			Ircon, India	30.00	30.00
			Tata Project Ltd., India	19.00	19.00

ii) For projects which have been completed:

(₹ in crore)

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at	
				31st March 2019	31st March 2018
1	RICON	Delhi NCR, India	Ircon, India	49.00	49.00
			RITES, India	51.00	51.00
2	Ircon-COBRA-ELIOP *	Delhi NCR, India	Ircon, India	61.22	61.22
			COBRA, Spain	34.35	34.35
			ELIOP, Spain	4.43	4.43
3	Ircon- Sree Bhawani Builders*	Chennai, India	Ircon, India	24.21	24.21
			Sree Bhawani Builders, India	75.79	75.79
4	Ircon-SMJ Project JV*	Tamilnadu, India	Ircon, India	55.00	55.00
			Sumber Mitra Jaya, Indonesia	45.00	45.00

## Notes to Standalone Financial Statements for the financial year March 31, 2019

(₹ in crore)

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at	
				31st March 2019	31st March 2018
5	International Metro Civil Contractor. (IMCC)	Delhi NCR, India	Dywidag, Germany	29.00	26.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Ircon, India	9.50	9.50
6	Metro Tunnelling Group (MTG)	Delhi NCR, India	Dywidag, Germany	29.00	29.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Ircon, India	9.50	9.50
7	Ircon-GANNON Dunkerly*	Uttar Pradesh, India	Ircon, India	55.70	55.70
			GANNON Dunkerly	44.30	44.30
8	Ircon-RCS-PFLEIDERER*	J&K, India	Ircon, India	65.08	65.08
			Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
			Pfleiderer Infrastructure teknik GmbH & Co, Germany	13.05	13.05
9	IRCON-SPSCPL*	J&K, India	Ircon, India	50.00	50.00
			SPSCPL, India	50.00	50.00

\* The above marked JV's are financially closed.

(b) Joint-Venture Companies:

(₹ in crore)

S. No.	Name of JV Company	Principal place of Business	Shareholders and country of origin	Percentage of Ownership as at (Committed as per agreement)	
				31st March 2019	31st March 2018
1	Ircon-Soma Tollway Private Limited (ISTPL)	Maharashtra, India	Ircon, India	50.00	50.00
			Soma Enterprise Limited, India	50.00	50.00
2	Chhattisgarh East Railway Limited (CERL)	Chhattisgarh, India	Ircon, India	26.00	26.00
			SECL, India	64.00	64.00
			CSIDC	10.00	10.00
3	Chhattisgarh East-West Railway Limited (CEWRL)	Chhattisgarh, India	Ircon, India	26.00	26.00
			SECL, India	64.00	64.00
			CSIDC	10.00	10.00
4	Mahanadi Coal Rail Limited (MCRL)	Odisha, India	Ircon, India	26.00	26.00
			MCL, India	64.00	64.00
			GoO, India	10.00	10.00
5	Jharkhand Central Railway Limited (JCRL)	Jharkhand, India	Ircon, India	26.00	64.00
			CCL, India	10.00	26.00
			GoJ, India	64.00	10.00
6	Baster Railway Private Limited (BRPL)	Chhattisgarh, India	Ircon, India	26.00	26.00
			NMDC, India	43.00	43.00
			SAIL, India	21.00	21.00
			CMDC, India	10.00	10.00
7	Indian Railway Station Development Corporation Limited**	New Delhi, India	Ircon, India	50.00	50.00
			RLDA	50.00	50.00

\*\*Ministry of Railway vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from the Company, thereby revising the ownership and non-controlling interest to 50:50.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

(c) Statement of Income, Expenditure, Profit, Assets &amp; Liabilities of Joint arrangements

(₹ in crore)

S. No.	Jointly Control Entities	Financial Year	Particulars					
			Income	Expenditure	Profit (PAT)	PPE*\$	Current/ Non-Current Assets\$	Liabilities
1	RICON	2018-19	0.30	0.08	0.22	-	10.89	0.38
		2017-18	0.25	0.08	0.17	-	10.66	0.36
2	IMCC	2018-19	0.91	0.13	0.78	-	4.35	0.95
		2017-18	0.00	0.00	(0.00)	-	3.57	0.94
3	MTG	2018-19	0.30	0.13	0.17	-	4.41	0.18
		2017-18	0.00	0.18	(0.18)	-	4.33	0.24
4	IRCON-AFCONS	2018-19	5.35	3.13	2.22	-	29.47	0.18
		2017-18	26.09	9.54	16.55	0.04	33.19	10.79
5	Ircon-Soma Tollway Private Limited (ISTPL)	2018-19	101.83	85.99	15.84	0.35	153.55	263.88
		2017-18	88.94	77.79	4.67	0.44	257.27	230.31
6	Chhattisgarh East Railway Limited (CERL)	2018-19	-	0.04	(0.04)	376.86	73.69	336.07
		2017-18	-	0.04	(0.04)	268.35	35.70	224.64
7	Chhattisgarh East-West Railway Limited (CEWRL)	2018-19	-	0.03	(0.03)	146.72	21.15	36.97
		2017-18	-	0.04	(0.04)	132.51	21.36	22.94
8	Mahanadi Coal Rail Limited (MCRL)	2018-19	0.14	0.40	(0.26)	9.79	11.47	11.47
		2017-18	-	-	-	8.74	0.07	8.80
9	Jharkhand Central Railway Limited (JCRL)	2018-19	0.47	0.16	0.31	42.60	7.36	35.52
		2017-18	0.45	0.46	(0.01)	47.91	11.48	46.56
10	Baster Railway Pvt. Ltd. (BRPL)	2018-19	0.69	0.23	0.46	65.23	15.39	4.47
		2017-18	0.02	0.65	(0.63)	-	9.09	8.80
11	Indian Railway Station Development Corporation Limited (IRSDC)**	2018-19	13.06	6.16	5.03	0.15	46.72	8.22
		2017-18	2.65	2.14	0.73	0.04	33.77	2.43
	<b>Total</b>	<b>2018-19</b>	<b>123.05</b>	<b>96.48</b>	<b>24.70</b>	<b>641.70</b>	<b>378.45</b>	<b>698.29</b>
		<b>2017-18</b>	<b>118.40</b>	<b>90.92</b>	<b>21.22</b>	<b>458.03</b>	<b>420.49</b>	<b>556.81</b>

\*PPE figures include capital work in progress, wherever applicable.

\*\* IRSDC has become joint venture company w.e.f 19.09.2017, hence, share of income, expenses, assets and liabilities have been considered proportionately.

\$Net of PPE.

(d) Contingent Liabilities of the Joint arrangements are disclosed in note 29 (b).

**(B). Disclosure in Subsidiaries**

(₹ in crore)

S. No.	Name of the Subsidiaries	Principal place of Business	Ownership Interest held by Company		Owner Ship held by Non-controlling Interest	
			31st March 2019	31st March 2018	31st March 2019	31st March 2018
1.	Ircon Infrastructure and Services Limited	India	100%	100%	Nil	Nil
2.	Ircon PB Tollway Limited	India	100%	100%	Nil	Nil
3.	Ircon ShivpuriGuna Tollway Limited	India	100%	100%	Nil	Nil
4.	Ircon Davanagere Haveri Highway Limited	India	100%	100%	Nil	Nil
5.	Ircon Vadodara Kim Expressway Limited	India	100%	-	Nil	-

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 40. Related Party disclosures: Related party to be identified as per IND AS

#### a) Enterprises where control exists:

##### (i) Subsidiary Companies: -

- Ircon Infrastructure and Services Limited. (IISL)
- IrconPB Tollway Limited. (IPBTL)
- IrconShivpuriGuna Tollway Limited (ISGTL)
- Davanagere Haveri Highway Limited (IDHHL)
- Ircon Vadodara Kim Expressway Limited (IVKEL)

##### (ii) Joint arrangements: -

- Unincorporated Joint operations – As per Note no. 39 (a) above
- Joint Venture Companies – As per Note no. 39 (b) above.

#### b) Key management personnel:

Whole time Directors: -S/Shri S.K. Chaudhary, S/Shri M.K.Singh, S/Shri Deepak Sabhlok and S/Shri Yogesh Kumar Misra w.e.f. 28th December, 2018.

Directors (Official Government nominated): - S/Shri S.C. Jain w.e.f. 24th October, 2018, S/Shri Piyush Agarwal w.e.f. 17th December, 2018, S/Shri Ved Pal ceased to hold office w.e.f. 30th September, 2018 and S/Shri Rajiv Chaudhry ceased to hold office w.e.f. 20th September, 2018.

Independent Directors: - Dr. C.B Venkataramana, Dr. Narendra Singh Raina, S/Shri Ashok Kumar Ganju, S/Shri Sanjay Kumar Singh ceased to hold office w.e.f. 2nd July 2018, S/Shri Avineesh Matta ceased to hold office w.e.f. 31st March 2019 and Prof. Vasudha V. Kamat ceased to hold office w.e.f. 31st March 2019.

Company Secretary: - Smt. Ritu Arora.

#### c) Disclosure of transactions with related parties:

( ₹ in crore)

Particulars	Transactions during the year ended on		Particulars of Contracts/ Arrangements
	31st March 2019	31st March 2018	Nature of Transaction
<b>1. Remuneration to key management personnel (b above) &amp; Sitting Fees to other Independent Directors</b>	As per Note No. 41		
<b>2. Purchase of Goods &amp; Services (including CSR expenses)/Lease of PPE/Any other transaction</b>			
<b>Subsidiaries</b>			
Ircon Infrastructure and Services Limited (IISL)	0.89	-	Hiring of Machinery
Ircon Infrastructure and Services Limited (IISL)	0.51	0.52	Man Power Supply
Ircon Infrastructure and Services Limited (IISL)	0.02	-	Man Power Supply
Ircon Davanagere Haveri Highway Limited (IDHHL)	2.90	-	Interest Paid
Ircon Vadodara Kim Expressway Limited (IVKEL)	0.02	-	Interest Paid
<b>Joint Arrangements/ Joint Venture</b>			
IRCON AFCONS JV	-	0.46	Purchase of Equipment and Material
<b>Total</b>	<b>4.34</b>	<b>0.98</b>	
<b>3. Sale of Goods &amp; Services/Interest Income/ Any other transaction</b>			
<b>Subsidiaries (Including)</b>			
Ircon Infrastructure and Services Limited (IISL)	-	1.19	Interest on loan
Ircon Infrastructure and Services Limited (IISL)	0.17	0.16	Rent for the Premises
Ircon Shivpuri Guna Tollway Limited (ISGTL)	0.02	0.02	Rent for the Premises
Ircon Shivpuri Guna Tollway Limited (ISGTL)	49.32	353.74	Work receipts
Ircon Shivpuri Guna Tollway Limited (ISGTL)	52.60	31.80	Interest on Loan
Ircon PB Tollway Limited (IPBTL)	0.02	0.02	Rent for the Premises
Ircon PB Tollway Limited (IPBTL)	148.21	268.98	Work receipts

## Notes to Standalone Financial Statements for the financial year March 31, 2019

(₹ in crore)

Particulars	Transactions during the year ended on		Particulars of Contracts/ Arrangements
	31st March 2019	31st March 2018	Nature of Transaction
Ircon PB Tollway Limited (IPBTL)	25.22	16.64	Interest on Loan
Ircon Davangere Haveri Highway Limited (IDHHL)	261.81	-	Work receipts
Ircon Davanagere Haveri Highway Limited (IDHHL)	2.40	-	Interest on Loan
Ircon Davanagere Haveri Highway Limited (IDHHL)	0.02	0.02	Rent for the Premises
Ircon Vadodara Kim Expressway Limited (IVKEL)	0.02	-	Rent for the Premises
<b>Joint Arrangements/ Joint Venture</b>			
Ircon-Soma Tollway Private Limited. (ISTPL)	0.03	0.03	Rent for the Premises
Chhattisgarh East Railway Limited (CERL)	379.01	189.85	Consultancy & works receipts
Chhattisgarh East Railway Limited (CERL)	-	10.44	Interest on Loan
Chhattisgarh East-West Railway Limited (CEWRL)	14.84	60.50	Consultancy receipts
Chhattisgarh East-West Railway Limited (CEWRL)	4.87	3.08	Interest on Loan
Mahanadi Coal Rail Limited (MCRL)	14.83	6.66	Consultancy & work receipts
Baster Railway Private Limited (BRPL)	-	24.00	
Jharkhand Central Railway Limited (JCRL)	11.48	3.77	Consultancy & work receipts
Express Freight Consortium (EFC)	224.85	-	Work receipts
Express Freight Railway Consortium (EFRC)	0.99	-	Work receipts
<b>Total</b>	<b>1190.71</b>	<b>970.90</b>	
<b>4. Equity Investments in Subsidiaries &amp; JVs</b>			
<b>Subsidiaries</b>			
Ircon Davanagere Haveri Highway Limited (IDHHL)	104.00	0.05	Equity Investment
Ircon Vadodara Kim Expressway Limited (IVKEL)	6.00	-	Equity Investment
<b>Joint Arrangements/ Joint Venture</b>			
Chhattisgarh East Railway Limited (CERL)	39.00		Equity Investment
Baster Railway Pvt. Ltd. (BRPL)	75.16	-	Equity Investment
Jharkhand Central Railway Limited (JCRL)	-	11.70	Equity Investment
Indian Railway Station Development Corporation Limited (IRSDC)	5.80	20.00	Equity Investment
Indian Railway Station Development Corporation Limited (IRSDC)	-	(0.40)	Disinvestment
<b>Total</b>	<b>229.96</b>	<b>31.35</b>	
<b>5. Loan To Subsidiaries &amp; Joint Arrangements</b>			
<b>Subsidiaries</b>			
Ircon Infrastructure and Services Limited (IISL)	-	(22.92)	Repayment of loan
Ircon PB Tollway Limited (IPBTL)	97.00	160.85	Loan Disbursed
Ircon Shivpuri Guna Tollway Limited (ISGTL)	35.77	363.17	Loan Disbursed
Ircon Davanagere Haveri Highway Limited (IDHHL)	130.00	-	Loan Disbursed
<b>Joint Arrangements/ Joint Venture</b>			
Chhattisgarh East Railway Limited (CERL)	-	26.00	Loan Disbursed
Chhattisgarh East Railway Limited (CERL)	-	(143.00)	Repayment of loan
Chhattisgarh East-West Railway Limited (CEWRL)	-	39.00	Loan Disbursed
Chhattisgarh East-West Railway Limited (CEWRL)	-	(39.00)	Repayment of loan
<b>Total</b>	<b>262.77</b>	<b>384.10</b>	

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

(₹ in crore)

Particulars	Transactions during the year		Particulars of Contracts/ Arrangements
	31st March 2019	31st March 2018	Nature of Transaction
<b>6. Reimbursement of deputation staff expenses, rent &amp; other misc. expenses (Income)</b>			
<b>Subsidiaries</b>			
Ircon Infrastructure and Services Limited (IISL)	2.15	1.51	Reimbursement
Ircon Infrastructure and Services Limited (IISL)	0.10	-	Miscellaneous Expenses
Ircon Shivpuri Guna Tollway Limited (ISGTL)	0.33	0.65	Reimbursement
Ircon PB Tollway Limited (IPBTL)	2.70	1.14	Reimbursement
Ircon Davanagare Haveri Highway Limited (IDHHL)	0.19	2.29	Reimbursement
Ircon Vadodara Kim Expressway Limited (IVKEL)	0.56	-	Reimbursement
<b>Joint Arrangements/ Joint Venture</b>			
Indian Railway Station Development Corporation Limited (IRSDC)	1.87	4.23	Rent and electricity during the year transaction
Ircon-Soma Tollway Private Limited (ISTPL)	0.88	-	Reimbursement
Mahanadi Coal Rail Limited (MCRL)	0.55	0.28	Reimbursement Trust
<b>Trust</b>			
Ircon Gratuity Trust	7.25	7.77	Reimbursement
Ircon Gratuity Trust	4.01	14.34	Contribution to Trust
Ircon Employees Contributory PF Trust	28.27	34.12	Contribution to Trust
Ircon Pension Trust	10.91	8.84	Contribution to Trust
Ircon Medical Trust	8.32	-	Contribution to Trust
<b>Total</b>	<b>68.04</b>	<b>75.17</b>	

### Disclosure of amount due to/from related parties

(₹ in crore)

Particulars	Amount	
	As at 31st March 2019	As at 31st March 2018
<b>(1) Equity Investment in Subsidiaries &amp; JV</b>		
<b>Subsidiaries</b>		
Ircon Infrastructure and Services Limited (IISL)	65.00	65.00
Ircon PB Tollway Limited (IPBTL)	165.00	165.00
Ircon Shivpuri Guna Tollway Limited (ISGTL)	150.00	150.00
Ircon Davanagare Haveri Highway Limited (IDHHL)	104.05	0.05
Ircon Vadodara Kim Expressway Limited (IVKEL)	6.00	-
<b>Joint Arrangements/ Joint Venture</b>		
Indian Railway Station Development Corporation Limited (IRSDC)	40.00	20.00
Ircon-Soma Tollway Private Limited. (ISTPL)	64.15	64.15
Chhattisgarh East Railway Limited (CERL)	122.58	83.58
Chhattisgarh East-West Railway Limited (CEWRL)	131.17	131.17
Mahanadi Coal Rail Limited (MCRL)	0.01	0.01
Jharkhand Central Railway Limited (JCRL)	13.00	13.00
Baster Railway Private Limited (BRPL)	76.33	1.18
<b>Total</b>	<b>937.29</b>	<b>693.14</b>

**Notes to Standalone Financial Statements for**  
the financial year March 31, 2019

(₹ in crore)

Particulars	Amount	
	As at 31st March 2019	As at 31st March 2018
<b>(2) Loan outstanding to Subsidiaries &amp; JV (Including interest accrued)</b>		
<b>Subsidiaries</b>		
Ircon PB Tollway Limited (IPBTL)	337.85	240.85
Ircon Shivpuri Guna Tollway Limited (ISGTL)	561.59	525.82
Ircon Davanagere Haveri Highway Limited (IDHHL)	130.00	-
<b>Joint Arrangements/ Joint Venture</b>		
Chhattisgarh East-West Railway Limited (CEWRL)	39.00	39.01
<b>Total</b>	<b>1068.44</b>	<b>805.68</b>
<b>(3) For Other Services, reimbursements etc. ( Amount Receivable)</b>		
<b>Subsidiaries</b>		
Ircon Infrastructure and Services Limited (IISL)	1.22	1.15
Ircon PB Tollway Limited (IPBTL)	0.80	26.07
Ircon Shivpuri Guna Tollway Limited (ISGTL)	18.97	24.91
Ircon Davanagere Haveri Highway Limited (IDHHL)	0.05	2.29
Ircon Vadodara Kim Expressway Limited (IVKEL)	0.12	-
<b>Joint Arrangements/ Joint Venture</b>		
Indian Railway Station Development Corporation Limited (IRSDC)	0.96	0.71
Ircon-Soma Tollway Private Limited (ISTPL)	7.63	7.23
Baster Railway Pvt. Ltd. (BRPL)	16.80	28.32
Chhattisgarh East Railway Limited (CERL)	56.16	36.31
Chhattisgarh East-West Railway Limited (CEWRL)	6.61	54.72
Mahanadi Coal Rail Limited (MCRL)	1.04	0.58
Express Freight Corridor (EFC)	7.89	0.18
Express Freight Railway Consortium (EFRC)	-	0.15
Trust		
Ircon Gratuity Trust	4.01	1.12
<b>Total</b>	<b>122.25</b>	<b>183.74</b>
<b>Amount Payable</b>		
<b>1) For Other Services</b>		
<b>Subsidiaries</b>		
Ircon Infrastructure and Services Limited (IISL)	1.42	4.03
<b>Joint Arrangements / Joint Venture</b>		
Ircon-Soma Tollway Private Limited (ISTPL)	0.09	3.05
<b>Total</b>	<b>1.51</b>	<b>7.08</b>
<b>2) Advance work receipts</b>		
<b>Subsidiaries</b>		
Ircon Shivpuri Guna Tollway Limited (ISGTL)	-	5.20
Ircon Davanagere Haveri Highway Limited (IDHHL)	65.34	-
<b>Joint Venture</b>		
Mahanadi Coal Rail Limited (MCRL)	-	8.87
Baster Railway Private Limited (BRPL)	-	9.78
<b>Total</b>	<b>65.34</b>	<b>23.85</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

( ₹ in crore)

Particulars	Amount	
	As at 31st March 2019	As at 31st March 2018
<b>3) Advance Received</b>		
<b>Subsidiaries</b>		
Ircon Davanagere Haveri Highway Limited (IDHHL)	73.17	-
Ircon Vadodara Kim Expressway Limited (IVKEL)	0.76	-
<b>Joint Arrangements/ Joint Venture</b>		
Jharkhand Central Railway Limited (JCRL)	-	0.62
Mahanadi Coal Rail Limited (MCRL)	5.82	-
Chhattisgarh East Railway Limited (CERL)	70.84	-
Chhattisgarh East-West Railway Limited (CEWRL)	32.05	-
Jharkhand Central Railway Limited (JCRL)	1.19	-
Ircon-Soma Tollway Private Limited (ISTPL)	45.00	-
Trusts		
<b>Gratuity Trust</b>	2.92	13.47
<b>Total</b>	<b>231.75</b>	<b>14.09</b>

#### d) Transaction with the Related Government entities

Apart from transactions reported above, the company has transactions with related Government entities which includes but not limited to the following:

Name of Government: Ministry of Railways, Government of India (Significant control over company)

Certain significant transactions & Closing balances:

#### Transactions during the year:

( ₹ in crore)

S.No.	Particulars	31st March 2019	31st March 2018
i)	Sales	2410.74	1,733.28
ii)	Interest Passed on	125.81	166.61
iii)	Dividend Paid	198.07	191.87
iv)	Dividend Passed on	4.96	2.33

Note: Purchases are heterogeneous in nature, thus immaterial. Hence not disclosed.

#### Closing balances:

( ₹ in crore)

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
i)	Receivable	83.38	89.51
ii)	Billable revenue/receivables not due	9.58	68.97
iii)	Claims recoverable	-	-
iv)	Advance Received	1651.12	2,714.83
v)	Advance work receipts	1.08	1.58
vi)	Loan from IRFC under Ministry of Railways	3076.53	3,200.00
vii)	Advance payment against lease to RLDA	3107.32	2,580.00



## Notes to Standalone Financial Statements for the financial year March 31, 2019

### 41. Details of remuneration to Directors/Key Managerial Person:

(₹ in crore)

Sr.	Particulars	31st March 2019	31st March 2018
i)	Salary & allowances*	1.66	2.10
ii)	Contribution to provident fund, pension	0.28	0.18
iii)	Reimbursement of medical expenses	0.01	0.02
iv)	Sitting fee	0.14	0.14
v)	Other benefits	0.22	0.26
	<b>TOTAL</b>	<b>2.31</b>	<b>2.70</b>

Outstanding loan to Shri M K Singh as on 31.03.2019 is **Rs. 0.68 Lakh** (Rs. 1.16 Lakh).

\*Figures of FY 2018-19 include PRP of **Rs. 0.22 crore** paid during the year for the FY 2016-17.

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

42. 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."

### 43. Disclosure under Ind AS-19 on Employee benefits

#### Provident Fund

The Company pays fixed contribution of Provident Fund at a pre-determined rate to a Separate 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 amount available in the fund including the returns on investment is greater than the obligation of the company. During the year, the Company has contributed **Rs. 11.83 crore** (Rs. 11.81 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 31.03.2019, a liability of **Rs. 4.01 crore** has been booked in the books of accounts based on the actuarial valuation.

#### Pension

The Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 i.e. 01.04.2009, for all regular employees drawing pay in IDA scale irrespective of their length of service except for those employees who joined before 01.01.2017 but would superannuate/resign after 01.01.2017, before completing 15 years of service, in such case Employer contribution towards pension would be effective from 01.01.2017 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 **Rs. 8.09 crore** for the period from 01.04.2018 to 28.02.2019 has been paid and accounted for during the year 2018-19. Liability for the month of March 2019 of **Rs. 0.73 crore** (Rs.0.77 crore) has been provided in the books of accounts.

#### Post-Retirement Medical Facility (PRMF)

The Company had established an irrevocable trust by initial one-time contribution of Rs. 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, Company has also kept provision of **Rs. 9.27 crore** (Rs.12.81 crore), based on the decision of management.

#### Leave Encashment

The liability towards encashment of leave as per rules of the Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since, the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

#### Leave Travel Concession (LTC)

The company has made a provision in respect of leave travel concession (LTC) on the basis of actuarial valuation in accordance with IND AS-19.

#### Other Retirement Benefits

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 recognised on the basis of actuarial valuation.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

The summarised position of various employee benefits recognised in the statement of profit and loss and balance sheet as on 31.03.2019 is as under:

### (i) Service Cost

( ₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Service Cost	3.97 (3.72)	4.62 (4.03)	0.05 (0.01)	3.60 (3.45)
b)	Past Service Cost including curtailment Gains/Losses	-- (8.94)	-- (-)	-- (-)	-- (-)
c)	Gains or Losses on Non routine settlements	-- (-)	-- (-)	-- (-)	-- (-)
d)	Difference in HPL leave days balance in Opening	-- (-)	-- (-)	-- (-)	-- (-)
<b>d)</b>	<b>Total</b>	<b>3.97</b> <b>(12.66)</b>	<b>4.62</b> <b>(4.03)</b>	<b>0.05</b> <b>(0.01)</b>	<b>3.60</b> <b>(3.45)</b>

\* Except employees posted on Foreign Projects

### (ii) Net Interest Cost

( ₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Interest cost on Defined Benefit Obligation	6.15 (5.32)	4.28 (4.07)	0 (0.03)	7.28 (6.15)
b)	Interest Income on Plan Assets (Expected)	5.08 (5.38)	-- (-)	-- (-)	5.35 (5.03)
c)	Net Interest Cost (Income)	1.08 (-0.07)	4.28 (4.07)	0 (0.03)	1.93 (1.11)

\* Except employees posted on Foreign Projects

### (iii) Changes in Present Benefit Obligation

( ₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present value of obligation as at the beginning of the period	82.03 (70.88)	57.10 (54.24)	0.04 (0.33)	97.03 (81.95)
b)	Difference in HPL leave days balance in Opening	-- (-)	-- (-)	-- (-)	-- (-)
c)	Interest Cost	6.15 (5.32)	4.28 (4.07)	0 (0.03)	7.28 (6.15)
d)	Service Cost	3.97 (3.72)	4.62 (4.03)	0.05 (0.01)	3.60 (3.45)
e)	Past Service Cost including curtailment Gains/ Losses	-- (8.94)	-- (-)	-- (-)	-- (-)
f)	Benefits Paid	(7.25) (-9.24)	(6.10) (-8.97)	(0.01) (-0.02)	(2.24) (-1.82)
g)	Total Actuarial (Gain)/Loss on Obligation	(1.20) (2.41)	0.31 (3.73)	0.08 (-0.31)	(3.18) (7.30)
h)	Present Value of obligation as at the end of the period	83.70 (82.03)	60.20 (57.10)	0.15 (0.04)	102.00 (97.02)

\* Except employees posted on Foreign Projects.

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### (iv) Actuarial (Gain)/Loss on Obligation

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Actuarial (Gain) Loss on arising from change in Demographic Assumption	-- (-)	-- (-)	-- (-)	-- (-)
b)	Actuarial (Gain)/Loss on arising from change in Financial Assumption	-- (-)	-- (-)	-- (-)	-- (-)
c)	Actuarial (Gain) Loss on arising from Experience Adjustment	(1.20) (2.41)	0.31 (3.73)	0.08 (-0.31)	(7.13) (7.30)

\* Except employees posted on Foreign Projects

### (v) Actuarial (Gain)/Loss on Plan Asset

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Expected Interest Income	5.08 (5.38)	-- (--)	-- (--)	5.34 (5.03)
b)	Actual Income on Plan Asset	5.78 (5.16)	-- (--)	-- (--)	6.15 (4.87)
c)	LIC Mortality Charges	-- (--)	-- (--)	-- (--)	-- (--)
d)	Actuarial gain (loss) for the year on Asset	0.70 (-0.22)	-- (--)	-- (--)	0.80 (-0.16)

\* Except employees posted on Foreign Projects

### (vi) Balance Sheet and related analysis

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present Value of the obligation at end	83.70 (82.03)	60.21 (57.10)	0.15 (0.04)	102.47 (97.02)
b)	Fair Value of plan assets	79.69 (67.69)	-- (-)	-- (-)	83.52 (70.19)
c)	Unfunded Liability/provision in Balance Sheet	(4.01) (-14.34)	(60.21) (-57.10)	(0.15) (0.04)	(18.95) (-26.84)
d)	Unfunded liability recognized in Balance Sheet	-- (--)	-- (--)	-- (--)	(18.95) (-26.84)

\* Except employees posted on Foreign Projects

## Notes to Standalone Financial Statements for

the financial year March 31, 2019

### (vii) The amounts recognized in the income statement

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	3.97 (12.66)	4.62 (4.03)	0.05 (0.01)	3.60 (3.45)
b)	Net Interest Cost	1.08 (-0.07)	4.28 (4.07)	0 (0.03)	1.93 (1.11)
c)	Net actuarial (gain)/ loss recognized in the period	-- (--)	0.31 (3.73)	-- (--)	-- (--)
d)	Actuarial gain / (loss) for the year on PBO	-- (--)	-- (--)	0.08 (-0.31)	-- (--)
e)	Expense recognized in the Income Statement	5.04 (12.60)	9.21 (11.83)	0.05 (-0.28)	5.53 (4.56)

\* Except employees posted on Foreign Projects

### (viii) Other Comprehensive Income (OCI)

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net Cumulative unrecognized actuarial gain/(loss) opening	-- (--)	-- (--)	-- (--)	-- (--)
b)	Actuarial gain/(loss) for the year on PBO	1.20 (-2.41)	-- (--)	-- (--)	3.18 (-7.30)
c)	Actuarial gain / (loss) for the year on Asset	0.70 (-0.22)	-- (--)	-- (--)	0.80 (-0.16)
d)	Unrecognized actuarial gain/(loss) at the end of the year	1.91 (-2.63)	-- (--)	(0.08) --	3.97** (-7.46)

\* Except employees posted on Foreign Projects

\*\* The unrecognized actuarial gain/loss (OCI) of **Rs. 3.82 crore** (Rs. -7.65 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.

### (ix) Change in plan assets

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Fair value of plan assets at the beginning of the period	67.69 (71.77)	-- (--)	-- (--)	70.19 (67.12)
b)	Actual Income on plan assets	5.83 (5.47)	-- (--)	-- (--)	6.15 (4.87)
c)	LIC Mortality Charges	(0.33) (-0.31)	-- (--)	-- (--)	-- (--)
d)	Employer contribution	13.47 (--)	-- (--)	-- (--)	8.32 (--)
e)	Benefits paid	(7.25) (-9.24)	-- (--)	-- (--)	(2.22) (-1.80)
f)	Fair value of plan assets at the end of the period	79.69 (67.69)	-- (--)	-- (--)	83.52 (70.19)

\* Except employees posted on Foreign Projects

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### (x) Major categories of plan assets (as percentage of total plan assets)

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Government of India Securities	-- (--)	-- (--)	-- (--)	-- (--)
b)	State Government securities	-- (--)	-- (--)	-- (--)	-- (--)
c)	High Quality Corporate Bonds	-- (--)	-- (--)	-- (--)	-- (--)
d)	Equity Shares of listed companies	-- (--)	-- (--)	-- (--)	-- (--)
e)	Property	-- (--)	-- (--)	-- (--)	-- (--)
f)	Funds Managed by Insurer	100% (100%)	-- (--)	-- (--)	100% (100%)
g)	Bank Balance	-- (--)	-- (--)	-- (--)	-- (--)
	<b>Total</b>	<b>100%</b> <b>(100%)</b>	<b>--</b> <b>(--)</b>	<b>--</b> <b>(--)</b>	<b>100%</b> <b>(100%)</b>

\* Except employees posted on Foreign Projects

### (xi) Change in Net Defined Benefit Obligation

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net defined benefit liability at the start of the period	14.34 (-0.88)	57.10 (54.24)	0.04 (0.33)	25.74 (14.83)
b)	Service Cost	3.97 (12.66)	4.62 (4.03)	0.05 (0.01)	3.60 (3.45)
d)	Net Interest Cost (Income)	1.08 (-0.07)	4.28 (4.07)	0 (0.03)	1.93 (1.11)
e)	Re-measurements	(1.91) (2.63)	0.31 (3.73)	0.08 (-0.31)	(3.97) (7.46)
f)	Contribution paid to the fund	(13.47) (--)	-- (--)	-- (--)	(8.32) (--)
g)	Benefit paid directly by the enterprise	-- (--)	(6.10) (-8.97)	(0.01) (-0.02)	(0.02) (-0.01)
h)	Net defined benefit liability at the end of the period	4.01 (14.34)	60.21 (57.10)	0.15 (0.04)	18.95 (26.84)

\* Except employees posted on Foreign Projects.

### (xii) Bifurcation of PBO at the end of the year in current and non-current

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Liability (Amount due within one year)	10.38 (8.70*)	5.45 (4.57)	0.01 (0.01)	2.17 (1.97)
b)	Non-current liability (Amount due over one Year)	73.32 (73.33)	54.76 (52.53)	0.14 (0.03)	100.31 (95.05)
	<b>Total PBO at the end of the year</b>	<b>83.70</b> <b>(82.03)</b>	<b>60.21</b> <b>(57.10)</b>	<b>0.15</b> <b>(0.04)</b>	<b>102.48</b> <b>(97.02)</b>

\* Except employees posted on Foreign Projects

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### (xiii) Expected contribution for the next Annual reporting period.

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	4.70 (4.42)	5.25 (4.67)	-- (0.01)	4.02 (3.87)
b)	Net interest Cost	0.30 (1.07)	4.52 (4.28)	-- (-)	5.07 (5.05)
c)	Net actuarial (gain)/loss recognized in the period	-- (-)	-- (-)	-- (-)	-- (-)
d)	Expected Expense for the next annual reporting period	5.00 (5.49)	9.77 (8.96)	-- (0.01)	9.09 (8.92)

\* Except employees posted on Foreign Projects

### (xiv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Impact of the change in discount rate					
S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present value of obligation at the end of the period	83.70 (82.03)	60.21 (57.10)	0.15 (0.04)	102.48 (97.02)
i)	Impact due to increase of 0.50%	(2.32) (-2.35)	(2.27) (-2.17)	(0.00) (-)	(3.87) (-2.80)
ii)	Impact due to decrease of 0.50%	2.47 (2.50)	2.45 (2.34)	0.00 (-)	4.07 (2.97)
b)	<b>Impact of the change in salary increase</b>				
	Present value of obligation at the end of the period	83.70 (82.03)	60.21 (57.10)	-- (0.04)	1.28 (1.29)
i)	Impact due to increase of 0.50%	1.13 (1.24)	2.43 (2.32)	-- (-)	0.05 (0.05)
ii)	Impact due to decrease of 0.50%	(1.18) (-1.29)	(2.27) (-2.17)	-- (-)	(0.05) (-0.05)

\* Except employees posted on Foreign Projects

(Previous year figures are shown under bracket () to differentiate from current year figures.)

Sensitivity due to mortality &amp; withdrawals are not material &amp; hence impact of change not calculated.

Sensitiveness as to rate of inflation, rate of pensions in payment, rate of increase of pensions before retirement &amp; life expectancy are not applicable being a lump sum benefit on retirement.

### (xv) Actuarial Assumptions

a.	Method used	Projected Unit Credit Method
b.	Discount rate	7.50 %
c.	Rate of increase in compensation levels	8.00 %
d.	Average outstanding service of employees up to retirement	13.19 to 14.19 years
e.	Estimated term of benefit obligations	10.77 to 11.30 years

## Notes to Standalone Financial Statements for the financial year March 31, 2019

### (xvi) Maturity Profile of Defined Benefit Obligation is as under:

(₹ in crore)

Duration of defined benefit obligation Duration (years)	Period	Gratuity	Earned Leave	Other Retirement Benefits
1	2018-19	10.38	5.45	2.17
2	2019-20	17.07	6.06	5.47
3	2020-21	9.39	5.67	7.60
4	2021-22	7.44	5.66	6.58
5	2022-23	6.84	4.36	5.62
6	2023-24	6.88	4.20	5.56
6 Year onward	2025 Onward	43.20	28.81	69.41

#### 44. Disclosure under Ind AS-115 on Revenue from contracts with Customers

##### (a) Disaggregation of Revenue

Below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in crore)

Particulars Type of goods or service	For the year ended 31st March, 2019					
	Railways	Highway	Electrical	Building	Others	Total
<b>Timing of satisfaction of performance obligation:</b>						
Over time	3719.12	554.62	97.34	5.27	-	4376.35
At a point in time	26.82	0	0	0	-	26.82
<b>Total</b>	<b>3745.94</b>	<b>554.62</b>	<b>97.34</b>	<b>5.27</b>	<b>-</b>	<b>4403.17</b>
<b>Method for measuring performance obligation:</b>						
Input method	3719.12	554.62	97.34	5.27	-	4376.35
Output method	26.82	0	0	0	-	26.82
<b>Total</b>	<b>3745.94</b>	<b>554.62</b>	<b>97.34</b>	<b>5.27</b>	<b>-</b>	<b>4403.17</b>
<b>Geographical markets:</b>						
Domestic	3160.38	554.62	97.34	5.27	-	3817.61
International	585.56	0	0	0	-	585.56
<b>Total</b>	<b>3745.94</b>	<b>554.62</b>	<b>97.34</b>	<b>5.27</b>	<b>-</b>	<b>4403.17</b>

(₹ in crore)

Particulars Type of goods or service	For the year ended 31st March, 2018					
	Railways	Highway	Electrical	Building	Others	Total
<b>Timing of satisfaction of performance obligation:</b>						
Over time	2872.64	842.13	89.33	48.14	5.87	3858.11
At a point in time	25.81	0	0	0	0	25.81
<b>Total</b>	<b>2898.45</b>	<b>842.13</b>	<b>89.33</b>	<b>48.14</b>	<b>5.87</b>	<b>3883.92</b>
<b>Method for measuring performance obligation:</b>						
Input method	2872.64	842.13	89.33	48.14	5.87	3858.11
Output method	25.81	0	0	0	0	25.81
<b>Total</b>	<b>2898.45</b>	<b>842.13</b>	<b>89.33</b>	<b>48.14</b>	<b>5.87</b>	<b>3883.92</b>
<b>Geographical markets:</b>						
Domestic	2297.41	842.13	89.33	48.14	5.87	3282.88
International	601.04	0	0	0	0	601.04
<b>Total</b>	<b>2898.45</b>	<b>842.13</b>	<b>89.33</b>	<b>48.14</b>	<b>5.87</b>	<b>3883.92</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

**(b) The reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:**

Revenue from Segment Reporting (Note No. 38) is **Rs. 4415.10 crore** (Excluding the Machine lease rent received, disclosed in Note No. 37).

**(c) The Company has applied modified retrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is Nil on retained earnings as at April 1, 2018.**

**(d) Contract Balances:**

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables (Note 11.2)	505.14	667.19
Contract Assets (Note 11.6)	397.57	376.23
Contract Liabilities (Note 17 and 19)	2,747.36	3,174.17

(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.

( ₹ in crore)

Particulars	31st March 2019	31st March 2018
Contract Assets at the beginning of the year	376.23	380.50
Contract Assets at the end of the year	397.57	376.23

**For the year 2017-18**, there has been reduction by **Rs 4.27 Crore** as compared to last year is mainly due to realisation of contract assets on certification of works based on contract condition.

**For the year 2018-19**, there has been increase by **Rs 21.34 Crore** as compared to last year is due to recognition of revenue based on input method whereas bills for work done are certified based on contract condition.

(iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer.

( ₹ in crore)

Particulars	31st March 2019	31st March 2018
Contract Liabilities at the beginning of the year	3,174.17	3,395.26
Contract Liabilities at the end of the year	2,747.36	3,174.17

**For the year 2017-18 and 2018-19** - There has been reduction of **Rs. 221.09 Crore** and **Rs. 426.81 Crore** as compared to last year are mainly due to adjustment of advance payment received from client against works executed during the year.

**(e) Revenue recognised in the period from:**

(i) The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

( ₹ in crore)

Particulars	31st March 2019	31st March 2018
Advance from clients	1,912.24	1,662.68
Advance contract receipts	155.27	56.90



## Notes to Standalone Financial Statements for the financial year March 31, 2019

- (ii) There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

**(f) Unsatisfied long-term contracts**

The following table shows unsatisfied performance obligations resulting from long-term construction contracts:

( ₹ in crore)

Particulars	31st March 2019	31st March 2018
Aggregate amount of the transaction price allocated to long-term construction contracts that are partially or fully unsatisfied as at 31st March	<b>30,163.52</b>	*

\*As permitted under the transitional provisions in Ind AS 115, the transaction price allocated to (partially) unsatisfied performance obligations as of March 31, 2018 is not disclosed.

Management expects that transaction price allocated to the unsatisfied contracts as of March 31, 2019 will be recognised as revenue in the future as follows:

( ₹ in crore)

Particulars	31st March 2019**
In one year or less	5200.00
More than one year to 2 years	5500.00
More than 2 years	19463.52
<b>Total</b>	<b>30163.52</b>

\*\*The amount disclosed above does not include variable consideration which is constrained.

- (g) The Company has applied Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 and has changed its accounting policy for the same. The application of the standard did not have any impact on the amounts recognised in prior periods.

#### 45. Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under: -

( ₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
a). the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	Nil	Nil
• Principal amount due to Micro, small and Medium Enterprises	17.04	5.67
• Interest due on above	Nil	Nil
b). the amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c). 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 Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d). the amount of interest accrued and remaining unpaid at the end of each accounting year;	Nil	Nil
e). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

## Notes to Standalone Financial Statements for the financial year March 31, 2019

- 46.(i) Gross amount required to be spent on Corporate Social Responsibility (CSR) by the Company during the year is **Rs. 8.74 crore** (Rs.7.67 crore).
- (ii) During the year, company has spent **Rs. 8.74 crore** (Rs.8.73 crore) as against required amount of **Rs. 8.74 crore** (Rs.7.67 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows

( ₹ in crore)

S.No.	Description	31st March 2019	31st March 2018
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	3.51	3.74
2.	Promoting Education, including special education and employment enhancing vocation skills especially among children.	2.44	2.97
3.	Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	-	-
4.	Ensuring environmental sustainability	2.39	1.88
5.	Rural Development Projects	0.00	0.14
6.	Sports	0.19	-
7.	Others (includes Admin Cost)	0.21	-
	<b>Total</b>	<b>8.74</b>	<b>8.73</b>

**(iii) Amount spent during year**

( ₹ in crore)

S.No.	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset*	1.23	-	1.23
2.	Other purposes	7.51	-	7.51
	<b>Total</b>	<b>8.74</b>	<b>-</b>	<b>8.74</b>

\*Assets purchased and handed over to respective organisation and are not being held by the Company.

- (iv) CSR expenditure yet to be incurred is **Nil** (Nil).

### 47. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

(Amount in Rupees)

Particulars	31st March, 2019	31st March, 2018
Basic EPS		
From Continuing operations	47.28	39.70
From Discontinued operation	-	-
Diluted EPS*	47.28	39.70

\*Diluted EPS amounts are also same as basic EPS because company has no dilutive potential Equity shares.

The following reflects the income and share data used in the basic EPS computations:

( ₹ in crore)

Particulars	31st March, 2019	31st March, 2018
Profit attributable to equity holders of the company used in calculating EPS:		
From Continuing operations	444.68	387.90
From Discontinued operation	-	-
<b>Profit attributable to equity holders for Basic Earnings Per Share</b>	<b>444.68</b>	<b>387.90</b>

## Notes to Standalone Financial Statements for the financial year March 31, 2019

The following reflects the weighted average number of shares used in calculating basic EPS

	(Numbers of Shares)	
Particulars	31st March, 2019	31st March, 2018
Weighted average number of Equity shares for basic EPS*	9,40,51,574	9,76,97,259
Effect of dilution:	-	-
<b>Weighted average number of Equity shares adjusted for the effect of dilution*</b>	<b>9,40,51,574</b>	<b>9,76,97,259</b>

\*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of these financial statements.

48. The Company has engaged agents/consultants to secure contracts and provide other services for foreign projects, being implemented in three countries. Pending assessment of services provided by the agent/consultants, the company has not accounted for expenses aggregating to **Rs. 6.23 crore** (Rs.4.96 crore), comprising of **Rs 1.27 crore** (Rs.1.16 crore) during financial year 2018-19.

49. In one of the projects under Northern Region, provision in respect of legal expenses amounting to **Rs 12.65 crore** (Rs.11.52 crore) has not been provided in the accounts based on legal opinion that the liability is primarily not of the company.

### 50. Events occurring after Reporting period

Refer to Note 14 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing meeting.

51. (a) During the financial year 2017-18, based on Expert opinion taken by management it was decided that the effects of discounting security deposit with client and contractor, Retention money with client and contractor and money withheld with client and contractor was not material for the preparation and presentation of financial statements. Ind AS 8- "Accounting Policies, Changes in Accounting Estimates and errors" allows that the policies specified by Ind AS need not to be applied when the effect of applying them is immaterial. Hence, it has been decided to discontinue discounting the same.

(b) Due to discontinuing of discounting as stated above the carrying value of the financial liabilities had increased by **Rs. 48.70 crore**, financial assets had increased by **Rs. 6.45 crore**, non-financial liabilities had decreased by **Rs. 42.70 crore** and non-financial assets have been decreased by **Rs. 6.24 crore**. The resultant net impact on Profit and Loss of FY 2017-18 was amounting to **Rs. 5.80 crore**, which is not considered as material for the preparation and presentation of financial statements.

52. **Ind AS 116 Leases: Standards issued but not effective for the financial year 2018-19.** On March 30, 2019, Ministry of Corporate Affairs has notified **Ind AS 116, Leases**. Ind AS 116 will replace Ind AS 17 and related interpretations from its proposed effective date, being annual periods beginning on or after 1 April 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 requires the identification of leases and introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The Company as a lessee, would be required to account for the assets on lease and corresponding liability for all leases in its Balance Sheet.

53. (a) The figure for the corresponding previous years have been regrouped/reclassified/recasted, wherever necessary to make them comparable.

(b) Certain prior period figures have been restated. The effect on the reported results of operation has been disclosed in Note no. 27 of the Financials Statements.

(c) Previous year figures are shown under bracket ( ) to differentiate from current year figures.

### As per our Report of even date attached

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-  
**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

### For and on behalf of Board of Directors

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

**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 2019.**

The preparation of financial statements of **IRCON INTERNATIONAL LIMITED** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditors General of India under Section 139(5) of the Act are 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 28 May 2019

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 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

For and on the behalf of the  
Comptroller & Auditor General of India

Place: New Delhi  
Dated: 11 July, 2019

**Sd/-**  
**(B.R. Mondal)**  
**Principal Director of Audit**  
**Railway Commercial, New Delhi**



# **CONSOLIDATED**

**Financial Statements**

**2018-19**

**FORM AOC - 1**

Statement containing salient features of Financial Statements of Subsidiaries/Joint Ventures as at 31.03.2019  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part A "Subsidiaries"**

( ₹ in crore)

Sr. No.	Name of the Subsidiary	Ircon Shivpuri Guna Tollway Limited (ISGTL)	Ircon PB Tollway Limited (IPBTL)	Ircon Devanagare Haveri Highway Limited (IDHHL)	Ircon Infrastructure & Services Limited (IISL)	Ircon Vadodara Kim Expressway Limited (IVKEL)
1	Reporting period for the Subsidiary	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
2	Reporting Currency and Exchange Rate	INR	INR	INR	INR	INR
3	Share Capital(Including share application money pending allotment)	150.00	165.00	104.05	65.00	6.00
4	Other equity/Reserves & surplus (as applicable)	(31.36)	1.81	2.77	77.38	0.05
5	Liabilities	586.70	494.19	221.96	176.47	0.41
6	Total Equity and Liability	705.34	661.00	328.78	318.85	6.46
7	Total Assets	705.34	661.00	328.78	318.85	6.46
8	Investments	-	-	-	-	-
9	Turnover	150.17	356.89	315.97	76.42	1.08
10	Profit before taxation	(30.53)	(2.83)	3.26	17.20	0.07
11	Provision for taxation	0.10	(0.71)	1.12	3.17	0.02
12	Profit after taxation	(30.63)	(2.12)	2.14	14.03	0.05
13	Interim Dividend - Equity	-	-	-	-	-
14	Interim Dividend - Preference	-	-	-	-	-
15	Proposed Dividend - Equity	-	-	-	-	-
16	Proposed Dividend - Preference	-	-	-	-	-
17	% of share holding	100%	100%	100%	100%	100%

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-  
**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

## Part "B": Joint Ventures

(₹ in crore)

Sr. No.	Name of Joint Ventures	Bastar Railways Private Limited (BRPL)	Chattisgarh East Railway Limited (CERL)	Chattisgarh East West Railway Limited (CEWRL)	Ircon - Soma Tollway Private Limited	Jharkhand Central Rail Limited (JCRL)	Mahanadi Coal Rail Limited (MCRL)	Indian Railway Stations Development Corporation Ltd (IRSDC)
1	Latest audited Balance Sheet Date	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31st March 2019	31-Mar-19
2	Shares of Joint Venture held by the company on the year end	26.00%	27.79%	26.02%	50%	26.00%	26%	50%
	Number of shares held	76,337,300	122,575,700	131,170,000	63,870,000	13,000,000	13,000	25,800,000
	Amount of Investment in Joint Venture (Note 2 Below)	763,373,000	1,225,757,000	1,311,700,000	638,700,000	130,000,000	130,000	258,000,000
	Total No of Shares	293,605,000	441,000,000	504,055,000	127,740,000	50,000,000	50,000	51,600,000
	Extent of Holding %	26.00%	27.79%	26.02%	50%	26.00%	26.00%	50.00%
3	Description of how there is significant influence	Refer Note 1 (Below)						
4	Reason why the Joint Venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5	Net worth attributable to shareholding as per latest audited balance sheet (Rs. in Crore)	292.87	440.29	503.48	86.45	55.51	0.02	77.29
6	Profit/ (loss) for the year (Rs. in Crore)	1.77	(0.15)	(0.12)	31.68	1.17	(0.01)	10.06
	(i) Considered in consolidation (Rs. in Crore)	0.46	(0.04)	(0.03)	15.83	0.31	-	5.03
	(ii) Not considered in consolidation (Rs. in Crore)	1.31	(0.11)	(0.09)	15.85	0.86	-	5.03

## 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(Amount in Rs.)

Value of Shares Alloted -

Application Money pending Allotment	142,000,000
	142,000,000

## As per our Report of even date attached

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

## For and on behalf of Board of Directors

Sd/-

**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-

**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-

**Ritu Arora**  
Company Secretary  
FCS No. 5270

## INDEPENDENT AUDITOR'S REPORT

To The Members Of Ircon International Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of IRCON INTERNATIONAL LIMITED (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2019, 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").

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, 2019, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

#### Emphasis of Matter

We draw attention to Note No. 50 to the consolidated Ind AS financial statements regarding non provision of Rs.6.23 Crores towards foreign agency commission/consultancy charges in respect of projects in three foreign countries pending assessment of the performance.

Our report is not qualified in respect of the above matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the matter
<p><b>a) Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>This is a newly applicable Accounting Standard on Revenue which prescribes five steps revenue recognition model.</p> <p>The Group recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation.</p> <p>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.</p> <p>The Group 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</p>	<p>Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</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.</p> <p>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>



Key Audit Matter	How our audit addressed the matter
<p>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. In addition, the new standard results into the change in accounting policy related to revenue recognition and requires extensive disclosures.</p> <p>For details refer <b>Note 45</b> to the Consolidated Ind AS Financial Statements.</p>	<ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Group.</li> <li>• Considered the terms of the contracts to verify the transaction price used to allocate to separate performance obligations.</li> <li>• Checked whether the performance obligation is being satisfied over the period of time or at a point in time</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed.</li> </ul>
<p><b>b) System Environment and internal Controls</b></p> <p>The holding Company is having SAP system in place but for the foreign projects they are using the Tally system for preparing the financial statement of the foreign projects.</p> <p>FI-CO module is working since 2012-13 with its limited functionalities with no integration support from any other system like payroll, inventory etc. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.</p> <p>The IT system in the holding company are not fully automated and manual interventions are in place in preparing and reporting of financial statements.</p> <p>Further, the subsidiary companies are also using the Tally system for preparation of the financial statements.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Discussing with management and IT department on the IT environment and consideration of the key financial processes to understand where IT systems were integral to the financial reporting process.</li> <li>• Testing the design of the key IT controls relating to financial reporting systems of the holding company.</li> <li>• We also tested the holding company's controls around system interfaces, and the transfer of data from one system to another.</li> <li>• We applied substantive audit procedures to ensure that areas where there are manual controls are operating effectively.</li> </ul>
<p><b>c) Evaluation of possible outcome of disputed Income Tax cases</b></p> <p>The Group has following matters under litigation for Income tax. These matters involve significant management judgement to determine the possible outcome of disputes.</p> <p>i. The Group has made provision for tax without considering the deduction under Section 80 IA of Income Tax Act, 1961. However, the ITAT has disposed pending appeal for FY 2000-01 allowing deduction u/s 80 IA and subsequently CIT(A) has allowed deduction for AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15. The matters for other assessment years are contested by the group with the concerned authorities.</p> <p>ii. The group is offering global income for tax in India after excluding the income earned by its permanent establishments in foreign countries having Double Taxation Avoidance Agreements (DTAA) with India. CIT (A) denied the treatment of excluding such foreign income. Accordingly, the group has subsequently paid taxes, however the matter is contested by the group with the concerned authorities.</p> <p>For details refer Notes No. 34 of the consolidated Ind AS financial statements.</p>	<p>We have discussed with the management for evaluation of possible outcome of disputed Income Tax cases.</p> <p>We obtained details of completed income tax assessments during the year ended March 31, 2019 from the management.</p> <p>Our internal experts also considered legal precedence and other rulings in evaluating management's position on these Income tax cases under litigation.</p> <p>Additionally, we considered the effect of new information in respect of these disputed cases to evaluate whether any change was required to management's position on these uncertainties.</p> <p>As explained by management and evaluated by us,</p> <ol style="list-style-type: none"> <li>i. the deduction u/s 80 IA has been allowed by CIT (A) for some of the assessment years in favour of the group. Provisions are continued to be retained in books on conservative principle or shown in contingent liability.</li> <li>ii. Group has recognized tax expenses as per tax credit approach. There would neither be future outflow of funds nor any charge on profit in case appeal is decided against the group. Further, at present there are no major foreign projects and consequently quantum of tax on account of this issue is not material.</li> </ol>

### **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 Directors report, Report on Corporate Governance and Management discussion and analysis report of the Holding Company, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Directors report, Report on Corporate Governance and Management discussion and analysis report of the holding company is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated change in equity and consolidated cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with companies (Indian Accounting Standard) Rules, 2015, as amended from time to time.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group and of its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 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 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 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/information of ten branches of Holding Company included in the consolidated Ind AS financial statement of the company whose financial statements/financial information reflect Total Assets of Rs. 6,505.22 Crores (Previous Year Rs.6287.24 Crores) as at 31st March 2019, Total Revenues of Rs.4335.59 Crores (Previous Year Rs. 3792.05 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 Rs.3.39 Crores (Previous Year Rs.16.90 Crores) profit (net), the company's share in four integrated joint operations (unincorporated) accounts which have been certified by other firms of chartered Accountants.
- We did not audit the financial statements/financial information of five subsidiaries whose financial statements/financial information reflect Total Assets of Rs.2,020.43 Crores (Previous Year Rs.1,344.68 Crores)

as at 31st March 2019, Total Revenues of Rs.310.07 Crores (Previous Year Rs.91.79) and net decrease in cash flows amounting to Rs.11.50 Crores (Previous Year Rs. 30.67 Crores) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial statements also include the group's share of Rs. 21.54 Crores (Previous Year Rs.5.16 Crores) profit (net) using equity method for the year ended 31st March, 2019 as considered in the consolidated Ind AS financial statements in respect of seven jointly controlled entities whose financial statements/ financial information have not been audited by us.

These financial statements/ financial information have been audited by other auditors whose financial statements/ financial information have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosure included in respect of these subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries & Jointly controlled entities, is based solely on the reports of the other Auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - 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.
  - The reports on the accounts of the branch offices of the Holding Company, and its subsidiaries and jointly controlled companies incorporated in India, audited under Section 143(8) of the Act by branch auditors have been sent to us/other auditors, as applicable, and have been properly dealt with in preparing this report.
  - 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.
  - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules

issued there under.

- f) Being a Government Company, Provision of section 164(2) of the Act are not applicable pursuant to notification No.G.S.R.463(E) dated 5th June, 2015, issued by Central Government of India.
- g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- h) Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Holding Company has disclosed the impact of pending litigations as at 31st

March, 2019 on the consolidated financial position of the Group, and its jointly controlled entities. Refer Note No. 30 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.16.3 to the consolidated Ind AS financial statements. The Group did not have any derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, jointly controlled entities incorporated in India.

2. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that:

Sl. No	Directions	Auditor's Replies
(i)	Whether the Group has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Group has SAP/Tally system to process all the accounting transactions. For details refer Key Audit Matter on "System environment and internal controls" and our opinion on Internal Financial Control as per Annexure A of Independent Audit Report.
(ii)	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts /loans/interest etc. made by a lender to the Group due to the Group's inability to repay the loan? If yes, the financial impact may be stated.	No, Group is having no case of any restructuring of an existing loan or cases of waiver/ write off of debts/ loans /interest etc. made by a lender to the Group due to the Group's inability to repay the loan
(iii)	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and as per our examination of records, no funds have been received/receivable for any specific schemes from central/ state agencies during the financial year 2018-19 except Ircon PB Tollways Ltd (IPBTL) has recorded Viability Gap Funding (VGF) in form of equity support for the project as receivable from National Highway Authority of India (NHAI). IPBTL has partly received VGF from NHAI and same has been accounted / utilized as per the terms and conditions of the agreement.

**For K. G. Somani & Co.**  
Chartered Accountants  
Firm Registration No: 06591N

Sd/-

**(Bhuvnesh Maheshwari)**

Partner

Membership No: 088155

Place: New Delhi  
Date: 28th May 2019

## **“Annexure A” to the Independent Auditor’s 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, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Group and its jointly controlled entities for the year ended on that date. We did not audit the internal financial controls over financial reporting of its five subsidiary companies and eleven jointly controlled entities, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company’s and its subsidiary company and jointly controlled company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company and jointly controlled company which are companies incorporating in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Group’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected

depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report, is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Holding company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the Holding company’s assets that could have a material effect on the consolidated Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

*According to the information and explanations given to us and based on our audit and branch auditor’s audit report, the following material weaknesses have been identified as at March 31, 2019.*

- (a) *The Holding Company has an integrated ERP system which was not used at its full potential. In the foreign projects the company has not used ERP system for the preparation of financial accounts instead software “Tally” was used for the same. Further, the SAP project system module (PS) is required to generate the projects invoices with integration support.*
- (b) *The Inventory records at some units is maintained manually and the inventory manual in SAP is under consideration. Further continuous identification system of surplus/obsolete/non-moving/ broken assets and material/stores is inadequate and needs to be strengthened.*

- (c) *No maker checker system exists at some of the projects of the Region since the vouchers are prepared and approved by the same finance personnel, affecting efficiency of internal financial control system.*

A material weakness' is a deficiency, or a combination of deficiencies in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, *except for the effects/possible effect of material weaknesses described above on the achievement of the objective of the control criteria and subject to the other matter paragraph given below*, 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, 2019, 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 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 un-audited.

**Emphasis of Matter**

Few cases of reduction of bills by the client and accepted by the project without noting therein full reasons/justifications have been observed for which follow up with client needs to be improved.

Our opinion is not modified in report of this matter.

**Other Matters**

Our aforesaid report Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to five audited subsidiary companies and eleven jointly controlled entities, is based on the corresponding reports of the other auditors (also refer paragraph on Other Matters of the Independent Auditors' Report on Consolidated Ind AS Financial Statements).

We have considered the material weakness identified 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, 2019 and this material weakness does not affect our opinion on the Consolidated Ind AS financial statements of the Company.

**For K. G. Somani & Co.**  
Chartered Accountants  
Firm Registration No: 06591N

**(Bhuvnesh Maheshwari)**  
Partner  
Membership No: 088155

Place: New Delhi

Date: 28th May 2019

(CIN - L45203DL1976GOI008171)

**CONSOLIDATED BALANCE SHEET**

As at 31st March 2019

(₹ in crore)

	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	133.95	140.59
	(b) Capital Work-in-Progress	4	50.30	3.15
	(c) Investment Property	5	477.61	358.67
	(d) Intangible Assets	6	1,278.62	69.17
	(e) Intangible Assets under Development	6	4.89	960.52
	(f) Financial Assets	7		
	(i) Investments	7.1	708.83	567.79
	(ii) Loans	7.2	39.51	39.67
	(iii) Others	7.3	2,845.44	2,736.67
	(g) Deferred Tax Assets (Net)	8	128.42	133.87
	(h) Other Non-Current Assets	9	162.93	147.78
	<b>Total Non-Current Assets</b>		<b>5,830.50</b>	<b>5,157.88</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	10	331.94	140.74
	(b) Financial Assets	11		
	(i) Investments	11.1	99.72	216.17
	(ii) Trade Receivables	11.2	666.04	675.22
	(iii) Cash and Cash Equivalents	11.3	892.12	1,554.11
	(iv) Other Bank Balances	11.4	2,191.83	3,136.49
	(v) Loans	11.5	1.89	1.91
	(vi) Others	11.6	1,741.33	854.85
	(c) Current Tax Assets (Net)	12	41.72	33.93
	(d) Other Current Assets	12.1	1,521.78	999.57
	<b>Total Current Assets</b>		<b>7,488.37</b>	<b>7,612.99</b>
	<b>Total Assets</b>		<b>13,318.87</b>	<b>12,770.87</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	13	94.05	94.05
	(b) Other Equity	14	3,870.17	3,667.18
	Equity attributable to Owners of the parent		3,964.22	3,761.23
	Non Controlling Interest		-	-
	<b>Total Equity</b>		<b>3,964.22</b>	<b>3,761.23</b>

<b>2</b>	<b>Liabilities</b>				
(i)	<b>Non-Current Liabilities</b>				
(a)	Financial Liabilities	15			
(i)	Borrowings	15.1	2,560.00		3,200.00
(ii)	Trade Payables	15.2			
	- Total outstanding dues of Micro Enterprises and Small Enterprises		-		-
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises"		-		0.46
(iii)	Other Financial Liabilities	15.3	345.14		389.96
(b)	Provisions	16	79.93		75.30
(c)	Other Non-Current Liabilities	17	710.34		849.54
	<b>Total Non-Current Liabilities</b>			<b>3,695.41</b>	<b>4,515.26</b>
(ii)	<b>Current Liabilities</b>				
(a)	Financial Liabilities	18			
(i)	Trade Payables	18.1			
	- Total outstanding dues of Micro Enterprises and Small Enterprises		18.95		5.67
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		546.54		504.66
(ii)	Other Financial Liabilities	18.2	2,302.31		1,112.70
(b)	Other current liabilities	19	2,389.56		2,591.78
(c)	Provisions	16	392.83		265.44
(d)	Current Tax liability (Net)	19.1	9.05		14.13
	<b>Total Current Liabilities</b>			<b>5,659.24</b>	<b>4,494.38</b>
	<b>Total Equity and Liabilities</b>			<b>13,318.87</b>	<b>12,770.87</b>
III.	Summary of Significant Accounting Policies	1 - 2			
IV.	Notes Forming Part of Financial Statements	3 - 57			

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2019

( ₹ in crore)

	Particulars	Note No.	For the Year ended 31st March 2019	For the year ended 31st March 2018
<b>I.</b>	<b>Revenue :</b>			
	Revenue from operations	20	4,791.57	3,997.88
	Add :- Company share of turnover in Integrated Joint operations (Unincorporated)		6.86	26.34
			4,798.43	4,024.22
II.	Other income	21	191.18	189.01
<b>III.</b>	<b>Total Income (I + II)</b>		<b>4,989.61</b>	<b>4,213.23</b>
<b>IV.</b>	<b>Expenses:</b>			
	Materials and Stores Consumed	22 (i)	390.69	349.29
	(Increase) / Decrease in WIP	22 (ii)	(169.37)	(10.56)
	Project Expenses	22 (iii)	3,779.62	2,947.71
	Employee Benefits Expenses	23	263.57	241.11
	Finance Costs	24	14.53	65.09
	Depreciation, Amortisation and Impairment	25	51.61	16.42
	Other Expenses	22 (iii)	52.77	44.45
	Proportionate share of expenses in Integrated Joint operations (Unincorporated)		3.47	9.44
	<b>Total Expenses (IV)</b>		<b>4,386.89</b>	<b>3,662.95</b>
<b>V.</b>	<b>Profit Before exceptional items and Tax (III - IV)</b>		<b>602.72</b>	<b>550.28</b>
VI.	Exceptional items		-	-
VII.	Share in Profit/(Loss) of Joint Ventures		21.54	5.16
VIII.	Profit before tax (V + VI + VII)		624.26	555.44
IX.	Tax expenses:			
	(1) Current tax	8		
	- For the Period		219.63	178.97
	- For earlier years (net)		(50.89)	(43.37)
	(2) Deferred tax (net)		5.45	11.18
	<b>Total Tax Expense</b>		<b>174.19</b>	<b>146.78</b>
<b>X</b>	<b>Profit for the year (VIII - IX)</b>		<b>450.07</b>	<b>408.66</b>
<b>XI</b>	<b>Other Comprehensive Income</b>	26		
	A. (i) Items that will not be reclassified to profit or loss		1.97	(2.75)
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss		(0.69)	0.95
	B. (i) Items that will be reclassified to profit or loss		(13.94)	4.86
	(ii) Income Tax relating to Items that will be reclassified to profit or loss		4.87	(1.68)
	<b>Total other comprehensive Income for the year (Net of Income Tax)</b>		<b>(7.79)</b>	<b>1.38</b>
<b>XII</b>	<b>Total Comprehensive Income for the year (X + XI) (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>442.28</b>	<b>410.04</b>
<b>XIII</b>	<b>Total Comprehensive Income attributable to Owners of the parent</b>		<b>442.28</b>	<b>410.04</b>
	Non Controlling Interest		-	-
XIV.	Earnings Per Equity Share:			
	(1) Basic (in Rs.)	48	47.85	41.83
	(2) Diluted (in Rs.)		47.85	41.83
XV.	Summary of Significant Accounting policies	1 - 2		
XVI.	Notes Forming Part of Financial Statements	3 - 57		

### As per our Report of even date attached

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

### For and on behalf of Board of Directors

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended on 31<sup>st</sup> March 2019

(₹ in crore)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Profit before taxation</b>		<b>624.26</b>	<b>555.44</b>
<b>Adjustment for :</b>			
Exchange difference on translation of Foreign Operations		(13.94)	4.86
Actuarial gain / (loss) on remeasurement of defined benefit plan		1.97	(2.75)
Depreciation, amortization and impairment		51.61	16.42
Profit on sale of assets (net)		(14.40)	(3.95)
Interest Income		(141.37)	(138.04)
Dividend Income		(9.64)	(14.01)
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		2.33	(1.38)
<b>Operating Profit before working capital changes</b>	<b>(1)</b>	<b>500.82</b>	<b>416.59</b>
<b>Adjustment for :</b>			
"Decrease / (Increase) in Trade Receivables/ Financial Assets - Loans"		9.35	(201.79)
Decrease / (Increase) in Inventories		(191.21)	(1.41)
Decrease / (Increase) in Other Assets & Financial Assets		(1,564.59)	(3,077.15)
(Decrease) / Increase in Trade Payables		55.16	149.70
(Decrease) / Increase in Other Liabilities, Financial Liabilities & Provisions		69.42	157.26
	<b>(2)</b>	<b>(1,621.87)</b>	<b>(2,973.39)</b>
<b>Cash generated from operation</b>	<b>(1+2)</b>	<b>(1,121.05)</b>	<b>(2,556.80)</b>
Income Tax Paid		(98.14)	(59.95)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>(1,219.19)</b>	<b>(2,616.75)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment including CWIP		(56.51)	(10.07)
Purchase of Intangible Assets		(1,110.12)	(659.48)
Purchase / Proceeds of Investment Property		(118.98)	(51.38)
Sale of Property, Plant and Equipments & Intangible Assets		835.52	253.26
Exchange Gain/ Loss on Property, Plant and Equipment		(0.39)	(3.89)
Investments in Mutual Funds		116.45	33.74
Repayment of Loan from Joint Ventures		-	117.00
(Decrease) / Increase in Non Controlling Interest		-	(19.62)
Interest Received		173.31	178.74
Dividend Received		9.65	14.01
Investment in Joint Venture Companies		(141.50)	(36.86)
(Investment) / Maturity of Bank Deposits (having maturity of more than 3 months)		944.66	162.89
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>652.09</b>	<b>(21.66)</b>

(₹ in crore)

Particulars	Note No.	For the Year ended 31st March 2019	For the year ended 31st March 2018
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan From Indian Railway Finance Corporation		146.23	3,203.08
Final Dividend ( including Dividend Distribution Tax) paid		(117.24)	(117.05)
Interim Dividend (including Dividend Distribution Tax) paid		(121.55)	(114.52)
Payment of Fee for increase in Authorised Capital		-	(1.99)
Adjustment of Prior Period Income in Retained Earnings		-	2.44
Payment to DIPAM for Buy Back of Shares		-	(234.57)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(92.56)</b>	<b>2,737.39</b>
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	(2.33)	1.38
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A+B+C+D)</b>	<b>(661.99)</b>	<b>100.36</b>
<b>CASH AND CASH EQUIVALENTS (OPENING)*</b>	<b>(E)</b>	<b>1,554.11</b>	<b>1,453.75</b>
<b>CASH AND CASH EQUIVALENTS (CLOSING) *</b>	<b>(F)</b>	<b>892.12</b>	<b>1,554.11</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(F - E)</b>	<b>(661.99)</b>	<b>100.36</b>

**Note:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
- Figures in brackets represent outflow of cash.
- Figures of the previous year have been regrouped /restated wherever necessary.

\* Cash and Cash Equivalent as on 31st March 2019 Includes Rs. Nil (31st March 2018 : Rs. 593.55 crore) earmarked for expenses for project site at Bandra (East).

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi

Date : 28<sup>th</sup> May, 2019**For and on behalf of Board of Directors**

Sd/-

**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-

**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-

**Ritu Arora**  
Company Secretary  
FCS No. 5270

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

 as at 31<sup>st</sup> March 2018

(₹ in crore)

**A. Equity share capital**

Balance as at April 01, 2017	Shares buy back during the year	Balance as at March 31, 2018
98.98	(4.93)	94.05

**B. Other Equity**

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
<b>Balance as at April 01, 2017</b>	<b>3,284.64</b>	<b>427.72</b>	-	<b>5.56</b>	<b>3,717.92</b>
Changes in accounting policy or prior period errors	-	2.43	-	-	2.43
<b>Restated balance at the beginning of the reporting period</b>	<b>3,284.64</b>	<b>430.15</b>	-	<b>5.56</b>	<b>3,720.35</b>
Profit for the year (Restated)	-	408.66	-	-	408.66
<b>Other Comprehensive Income</b>					
Remeasurement of Defined Benefit Plans	-	(1.80)	-	-	(1.80)
Foreign Exchange translation difference	-	-	-	3.18	3.18
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>406.86</b>	<b>-</b>	<b>3.18</b>	<b>410.04</b>
Buy Back of Equity Shares	-	-	4.93	-	4.93
Payment of Fee for increase in Authorised Capital	-	(1.99)	-	-	(1.99)
Payment for Buy Back of Shares	-	(234.57)	-	-	(234.57)
Dividends Paid	-	(192.40)	-	-	(192.40)
Dividend Distribution Tax	-	(39.17)	-	-	(39.17)
Changes in carrying value of Investments in Joint Ventures Other than share in Profit/(Loss)	-	(0.01)	-	-	(0.01)
<b>Balance as at March 31, 2018</b>	<b>3,284.64</b>	<b>368.87</b>	<b>4.93</b>	<b>8.74</b>	<b>3,667.18</b>

**As per our Report of even date attached**

For **K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31<sup>st</sup> March 2019

( ₹ in crore)

### A. Equity share capital

Balance as at  
April 01, 2018

Shares buy back  
during the year

Balance as at  
March 31, 2019

94.05

-

94.05

### B. Other Equity

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	General Reserves	Retained Earnings	Capital Redemption Reserve	Exchange differences on translating the financial statement of a foreign operation	
<b>Balance as at April 01, 2018</b>	<b>3,284.64</b>	<b>369.40</b>	<b>4.93</b>	<b>8.74</b>	<b>3,667.71</b>
Changes in accounting policy or prior period errors	-	(0.53)	-	-	(0.53)
<b>Restated balance at the beginning of the reporting period</b>	<b>3,284.64</b>	<b>368.87</b>	<b>4.93</b>	<b>8.74</b>	<b>3,667.18</b>
Profit for the year	-	450.07	-	-	450.07
<b>Other Comprehensive Income</b>					
Remeasurment of Defined Benefit Plans	-	1.28	-	-	1.28
Foreign Exchange translation difference	-	-	-	(9.07)	(9.07)
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>451.35</b>	<b>-</b>	<b>(9.07)</b>	<b>442.28</b>
Dividends Paid	-	(198.08)	-	-	(198.08)
Dividend Distribution Tax	-	(40.71)	-	-	(40.71)
Changes in carrying value of Investments in Joint Ventures Other than share in Profit/(Loss)	-	(0.50)	-	-	(0.50)
<b>Balance as at March 31, 2019</b>	<b>3,284.64</b>	<b>580.93</b>	<b>4.93</b>	<b>(0.33)</b>	<b>3,870.17</b>

#### As per our Report of even date attached

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-

**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi

Date : 28<sup>th</sup> May, 2019

#### For and on behalf of Board of Directors

Sd/-

**M. K. Singh**  
Director Finance  
DIN - 06607392

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**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-

**Ritu Arora**  
Company Secretary  
FCS No. 5270

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 1. Group Information

The Consolidated financial statements comprise financial statements of Ircan International Limited (the Holding Company) and its subsidiaries & Joint Ventures (collectively referred to as “the Group”) for the year ended 31st March 2019. The Holding Company is a public sector construction Company domiciled in India and is incorporated under the provision of companies Act, with specialization in execution of Railway projects on turnkey basis and otherwise. The Holding 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. After commencing business as a Railway construction company 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 registered office of the Holding Company is located at Plot no. C - 4, District Centre, Saket, New Delhi - 110017 India.

The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of directors on dated 28th May, 2019.

### 2. Significant Accounting Policy under Ind AS (Consolidated)

#### (i). Basis of Preparation

##### a) Statement of Compliance

These Consolidated Financial Statements as at and for year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended.

##### b) Basis of Measurement

These Consolidated Financial Statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS.

- i. Defined benefit Plan and other long term employee benefits
- ii. Certain financial assets and liabilities measured at fair value.
- iii. Provisions as per para (xii) (D) below, where time value of money is material.

##### c) Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenue and expenses. Actual results may differ from these estimates.

#### Key accounting estimates:

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Provisions** – At each balance sheet date on the basis of the management judgment, changes in facts and legal aspects, the group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Revenue** – The Holding Company recognizes revenue for a performance obligation satisfied over time after reasonably 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 and they are probable and are capable of being reasonably measured. For the purpose of making estimates for claims, the company used the available contractual and historical information.

**Property, plant and Equipment**– Property, plant and Equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialize.

d) The Consolidated Financial Statements are reported in Indian rupees and all values are rounded to the nearest crore rupees with two decimal points except where otherwise stated.

#### (ii). Basis of Consolidation

##### i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consolidated financial statements of Ircan International Limited and its subsidiaries have been consolidated on a line- by-line basis by adding together the book value of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and unrealized profits/losses on intra-group transactions, Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

When the Group loses control over a subsidiary, it

## Notes to Consolidated Financial Statement for the financial

year March 31, 2019

derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

### 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. Ircan International Limited has both joint operations and joint ventures.

#### (a) 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.

#### (b) Joint ventures

Interests in joint ventures are accounted for using the equity method (see 2(iii)), after initially being recognised at cost in the consolidated balance sheet.

### iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. 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.

### (iv). Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

### (v). Foreign Currency Transactions

#### 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. (i.e Functional Currency). The financial statements are presented in Indian rupees, which is the presentation as well as Functional currency of the group.

#### (a) Transactions of Indian operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles, investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.
- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing closing selling rates for Liabilities and closing buying rate for Assets, at each reporting date.
- iv. Foreign Exchange Gains or Losses in respect of above transactions are recognized in Statement of profit and loss.

#### (b) Transactions of Foreign operations:

- i. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- ii. Property, plant and Equipment, intangibles, investment property, prepaid expenses, inventory and non-monetary items are translated at the rate on the date of initial transaction.
- iii. Monetary items (Trade receivables, trade payables, Cash and Bank, Loans and Borrowings and other receivables & payables) and contingent assets & liabilities denominated in foreign currency are translated at the prevailing **closing selling rates for Liabilities and closing buying rate for Assets**, at each reporting date.
- iv. Foreign Exchange Gain or Losses in respect of above transactions are recognized in profit and loss account.

**The result and financial position of foreign operation that have a functional currency different from the presentation currency are translated in to presentation currency as follows.**

- i. Assets/Liabilities - Closing **selling rates for Liabilities and closing buying rate** for Assets on the reporting date.
- ii. Income/Expenses – Average exchange rate during the year.
- iii. Exchange differences on translation of functional currency to presentation currency are – recognised in OCI (Other comprehensive income)
- iv. On disposal of Foreign Operation (on realization of complete receivables from client) transfer the component of OCI (Other comprehensive income) to profit or loss relating to respective foreign operation.

#### (vi). Property, Plant and Equipment

1. Freehold land is carried at historical cost. Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any.
2. The machinery spares which can be used only in connection with an item of Property, Plant and

## Notes to Consolidated Financial Statement for the financial

year March 31, 2019

- Equipment and whose use is expected to be irregular are capitalized & depreciated/ amortized over the balance life of such Property, Plant and Equipment.
3. Subsequent cost relating to property, plant & equipment shall be recognized as an asset if:
    - a) it is probable that future economic benefits associated with the items will flow to the entity; and
    - b) the cost of the item can be measured reliably.
  4. Cost of asset includes the following
    - i. Cost directly attributable to the acquisition of the assets
    - ii. 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.
    - iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
  5. 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.
  6. An item of Property, Plant and Equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.
  7. Amounts paid towards the acquisition of Property, Plant and Equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress. Expenses directly attributable to project, prior to commencement of commercial operation, are considered as project development expenditure and shown under Capital Work-in-Progress.

### Depreciation

- (a) Depreciation on Property, Plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- (b) 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.
- (c) The estimated useful life of assets for current period of significant items of Property Plant and Equipment are as follows:

Particulars	Useful Life (yrs.)
Building/flats residential/non-residential	60
Plant and Machinery	8-15
Survey instruments	10
Computers	3-6
Office Equipment's	5
Furniture and fixtures	10
Caravans, Camps and temporary shed	3-5
Vehicles	8-10

- (d) Leasehold land and improvements are amortized over the lower of estimated useful life and lease term.
- (e) Depreciation methods, useful lives and residual values are reviewed at each reporting date 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
- (f) Property Plant and Equipment acquired during the year, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to revenue irrespective of its value.

### (vii).Intangible Assets/Intangible assets under development

#### I. Other than service concession arrangement

- (a) Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.
- (b) Intangible assets under development represent ongoing expenditure incurred and carried at cost.

#### Amortization of Intangible Assets

- (a) Intangible assets are amortized over their respective estimated useful lives on a straight- line basis from the date that they are available for use.

The estimated useful life of intangibles is as follows:

Intangible Assets	Useful Life	Internally generated or self-generated
Software	Finite (36 months)	Acquired

- (b) Amortization methods, useful lives and residual values are reviewed at each reporting date.
- (c) Software cost up to Rs. 1 Lakhs in each case is fully amortized in the year of purchase, by keeping Rs. 1 as token value for identification.

#### II. Toll Collection Right (Toll Road Service Concession Arrangement)

The subsidiary companies recognize an intangible asset arising from service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade service in a service concession agreement is measured at fair value on initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortization and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from where the subsidiary is able to charge the public for use of infrastructure to the end of the concession period.

Toll 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 reporting date, with the effect of change in estimate accounted for on a prospective basis.

The carrying value of intangible asset is reviewed for



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impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable.

### Financial asset model

The Subsidiary Companies recognizes a financial asset arising from a service concession arrangement when it has unconditional contractual right to receive cash or another financial asset from grantor for the construction or upgrade service provided. Such financial assets are measured at fair value on initial recognition and classified as loans and receivables.

Subsequent to initial recognition, the financial assets are measured at amortized cost. Under this model financial asset will be reduced as and when grant has received from grantor.

### (viii). Investment properties

- a) Investment property comprises completed property, property under construction and property held under a finance 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.
- b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- c) The group depreciates building component of investment property over 60years from the date of original purchase/completion of construction.
- d) Investment properties are derecognized 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. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

### (ix). Inventories

#### (a) Construction Work in Progress

Construction work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure to the extent not written off valued at cost.

#### (b) Others

- (i) In Cost Plus contracts, the cost of all materials, spares and stores not reimbursable as per the terms of the contract is shown as inventory valued as per (III) below.
- (ii) In Item Rate and Lump Sum Turnkey contracts, the cost of all materials, spares (other than capitalized) and stores are charged to Statement of Profit and Loss in the year of use.
- (iii) Inventories are valued at lower of the cost arrived at on First in First out (FIFO) basis and net realizable value.
- (iv) Loose tools are expensed in the year of purchase.

### (x). Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise of cash at bank, cash in hand, other short term deposits with banks with an original maturity of three months or less and highly liquid investments, that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value and Bank overdraft.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash and short term bank deposits etc., as defined above, net of outstanding bank overdrafts

since they are considered integral part of the group's cash management."

### (xi). Government Grant

Grant from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the subsidiary companies will comply with all attached conditions. Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that there intended to compensate and presented within contract revenue.

### (xii). Provisions

#### A. Provision for Maintenance

- a) In Cost Plus contract, no provision for maintenance is required to be made where cost is reimbursable.
- b) 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, the obligations of the sub-contractors, operating turnover and other relevant factors.
- c) Provision for unforeseen expenditure during design guarantee period is made based on risk perception of management in each contract assessed at the end of each financial year. This shall, however, be subject to a minimum of Rs. 50 lakhs and maximum of the amount of Design guarantee specified in Contract Agreement with the Client.

#### B. Provision for Demobilization

Provision for demobilization to meet the expenditure towards demobilisation of Manpower and Plant & Equipment is made in foreign projects.

#### C. Others

Provision is recognized when:

- i) The group has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made.

Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

#### D. Discounting of Provisions

Provision recognised as per above point A, B and C which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

#### E. Onerous Contract

A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are termed as onerous contract and the present obligation under such contracts is recognized and measured as a provision

### (xiii). Revenue Recognition

#### (a) Contract Revenue Recognition

Revenue from contract with customers is recognized when control of the goods or services are transferred to the

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customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.

When another party is involved in providing goods or services to our customer, the group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. Revenue is booked on gross basis where the group acts as a principal and on net amount that it retains for its services, in case the group acts as an agent. The group has recognized revenue by considering the substance of the contracts.

The group recognise revenue for a performance obligation satisfied over time after reasonably measuring its progress towards complete satisfaction of the performance obligation, In case where the outcome of a performance obligation cannot be reasonably measured but the group expects to recover the costs incurred in satisfying the performance obligation, the revenue is being recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Performance obligation is measured 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 group's performance towards complete satisfaction of the performance obligation.

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.

After contract inception, the transaction price can change for various reasons. 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. 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.

Estimate of revenues, costs, or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are recognized by including it in profit or loss in the period of the change, if the change affects that period only or the period of change and future periods, if the change affects both.

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 recognized for the earned consideration that is conditional. If a customer pays consideration before the group transfers good or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liability is recognised as revenue when the group performs under the Contract.

### (b) Construction contract revenue under service concession arrangement

#### Intangible Assets

The Consideration receivable by the subsidiary company is a right to an intangible asset. The subsidiary company recognizes an intangible asset to the extent that it receives a sole and exclusive right to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts

are contingent on the extent that the public uses the service.

#### Financial Assets

The Consideration received or receivable by the subsidiary company is a right to a financial asset. The subsidiary company recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor ("NHAI") for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

The subsidiary company has an unconditional right to receive cash as the grantor contractually guarantees to pay specified or determinable amounts to the subsidiary company, even if payment is contingent on the subsidiary company ensuring that the infrastructure meets specified quality or efficiency requirements.

#### (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 Revenue Recognition

- (i) Dividend income is recognized when the right to receive payment is established.
- (ii) Interest income is recognized using Effective Interest Rate Method.

#### (xiv). Leases

##### a) Group as a lessee

#### Finance Lease:

- (i) that transfers substantially all the risks and rewards incidental to ownership of an asset
- (ii) are capitalised at lease inception at lower of fair value or present value of minimum lease payment
- (iii) payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
- (iv) Finance charges are recognised in finance costs in the statement of profit and loss.
- (v) Depreciated over the useful life of the asset. However, if there is no reasonable certainty to obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### Operating Lease:

- (i) is classified as operating lease when significant portion of the risk and rewards are not transferred to the group.
- (ii) payment is charged to profit and loss on straight-line basis over the lease term except where lease payment is structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

##### b) Group as a lessor

#### Finance Lease:

- (i) is recognised when substantially all of the risks and rewards of ownership transfer from the group to the lessee.
- (ii) Payment due are recorded as receivables at the group's

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net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### Operating Lease:

- (i) are the leases in which the group does not transfer substantially all the risks and rewards of ownership to the lessee.
- (ii) incomes are recognized as income in the statement of profit & loss on straight-line basis over the lease term except where lease payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

### (xvi). Research and development Expenses

1. Research costs are expensed as incurred.
2. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:
  - The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
  - Its intention to complete and its ability and intention to use or sell the asset
  - How the asset will generate future economic benefits?
  - The availability of resources to complete the asset
  - The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### (xv). Mobilization Expenses

The initial contract expenses on new projects for mobilisation will be recognised as construction work in progress in the year of incidence, and pro rata charged off to the project over the years at the same percentage as the stage of completion of the contract as at the end of financial year.

### (xvi). Impairment of non-financial assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. At each reporting date group assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss. For the purpose of assessing impairment, assets that cannot be tested individually are grouped in to the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group

of assets (the cash-generating units).

### (xvii). Borrowing Cost

Borrowing cost in ordinary course of business are recognized as expense of the period in which they are incurred. Borrowing cost that is directly attributable to acquisition, construction or production of a qualifying asset is capitalized as part of the cost of such assets up to the commencement of commercial operations.

### (xviii). Employee Benefits

#### a) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

#### b) Post-employment benefits & other Long Term Employee Benefits

- i. Retirement benefits in the form of pension fund are defined contribution schemes. The contributions to the pension trust are charged to the statement of Profit and loss for the year when the contributions are due.
- ii. The group has Defined benefit plans like Provident Fund, Gratuity, LTC and other retirement benefits.
- iii. The group makes contribution to the recognized provident fund - "IRCON CONTRIBUTORY PROVIDENT FUND TRUST" for its employees, which is a defined benefit plan and also contribute to the extent that the group has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.
- iv. The group has created a Trust for Gratuity. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.
- v. Provision for Defined benefit plans is made based on actuarial valuation at the year end and Actuarial gains or losses are recognized through Other Comprehensive income.
- vi. Post-retirement Medical benefits are made based on actuarial valuation or amount available for contribution, whichever is less.
- vii. Other long term employee benefit includes leave encashment. Actuarial gains or losses on other long term employee benefits are recognized through statement of profit & loss.
- viii. Re-measurements of the net defined benefit liability (asset) recognized in other comprehensive income shall not be reclassified to profit or loss in a subsequent period.

### (xix). Taxes

#### a. Current income tax

- (i) Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- (ii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group

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operates and generates taxable income.

- (iii) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided/paid as and when assessments are completed.
- (iv) Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

### b. Deferred tax

- i. Deferred income tax is recognized using balance sheet approach.
- ii. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- iii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iv. The carrying amount of deferred income 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 income tax asset to be utilized.
- v. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).
- vi. Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries and interest in joint arrangements where the group able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
- vii. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilized.

### (xx). Operating Segment

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. Accordingly, the group has identified two operating reporting segments based on geographic location of the project viz. Domestic & International.

### (xxi) Earning per share

In determining basic earnings per share, the group considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### (xxii). Contingent Liabilities and contingent Assets

- (a) Contingent Liabilities are disclosed in either of the following cases:

- (i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - (ii) A reliable estimate of the present obligation cannot be made; or
  - (iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent assets is disclosed where an inflow of economic benefits is probable.
  - (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
  - (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

### (xxiii). Fair Value Measurement

Group measures financial instruments at fair value at each reporting date. 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 to 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. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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The group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

### (xxiv). Dividend to equity holders

Dividend paid/payable shall be recognized in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

### (xxv). Financial instruments

#### A. Initial recognition and measurement

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

#### B. Subsequent measurement

##### B.1 Financial Assets

Financial assets are classified in following categories:

##### a). Debt instruments at Amortised Cost

Debt instrument shall be measured at amortised cost if both of the following conditions are met:

- (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- (b) the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the statement of profit and loss.

Following financial assets are measured at amortised cost: -

- (i) Trade receivable
- (ii) Security deposit
- (iii) Retention money
- (iv) Money held with client
- (v) Cash and cash equivalent
- (vi) Loan and advances
- (vii) Investment in Tax free bonds

##### b). Debt instruments at Fair Value through Other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the Fair Value through Other Comprehensive Income if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

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 P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

##### c) Debt instruments at Fair Value through Profit & Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instruments, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instruments, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

##### B.2 Financial liabilities

##### a) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

##### b) Financial liabilities at FVTPL

The group has not designated any financial liabilities at FVTPL.

##### C. De-recognition

##### Financial Asset

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.

##### Financial Liability

A financial liability is derecognized 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of Profit & Loss.

##### D. Impairment of financial assets:

Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and contract asset. 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.

Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment

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methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

### **(xxvi). Non-current Assets (or disposal groups) 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 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.

### **(xxvii) Financial guarantees**

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 amortization.

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(₹ in crore)

	Free hold Land	Lease hold Land	Lease hold Buildings	Freehold Buildings/ Flats- Residential	Free hold Buildings/ Flats-Non-Res.	Plant & Machinery	Survey Instruments	Computers	Office Equipments	Furniture & Fixtures	Caravans, Camps and Temp. Sheds	Vehicles	Total
Foot Notes	(iv)	(iii)	(ii)	(i)	(vii)	(v)	(vii)	(vii)	(vii)	(v)			
<b>Gross Carrying Amount (At Cost)</b>													
<b>At 01<sup>st</sup> April 2017</b>	42.26	1.09	36.44	6.36	8.30	87.17	1.01	2.54	2.88	2.10	7.57	1.47	199.19
Additions	0.49	-	-	-	-	0.89	0.40	3.06	0.78	0.63	0.31	2.34	8.90
Disposals/Adjustments	-	-	-31.24	-	31.24	(3.99)	(0.01)	(0.21)	(0.18)	(0.10)	-	(0.11)	(4.60)
Exchange (Gain) / Loss	-	-	-	-	1.09	1.62	-	0.01	0.02	0.01	-	0.21	2.96
<b>At 31<sup>st</sup> March 2018</b>	42.75	1.09	5.20	6.36	40.63	85.69	1.40	5.40	3.50	2.64	7.88	3.91	206.45
Additions	-	-	-	-	-	5.28	0.46	1.07	0.68	0.86	1.00	0.02	9.37
Disposals/Adjustments	(0.06)	-	-	-	-	(3.42)	-	(0.17)	(0.05)	(0.03)	(0.58)	(0.37)	(4.68)
Exchange (Gain) / Loss	-	-	-	-	0.03	1.04	0.01	0.05	0.02	0.03	0.02	0.03	1.23
<b>At 31<sup>st</sup> March 2019</b>	42.69	1.09	5.20	6.36	40.66	88.59	1.87	6.35	4.15	3.50	8.32	3.59	212.37
<b>Depreciation and Impairment</b>													
<b>At 01<sup>st</sup> April 2017</b>	-	0.02	6.43	2.74	1.97	36.61	0.12	1.14	0.89	0.58	2.76	0.32	53.58
Depreciation charge for the year	-	0.01	2.47	0.31	0.44	6.13	0.11	0.85	0.54	0.28	2.45	0.40	13.99
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	(8.23)	-	8.23	(0.50)	-	(0.14)	(0.10)	(0.03)	-	-	(0.77)
Exchange (Gain) / Loss	-	-	-	-	0.30	(1.14)	-	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)	(0.93)
<b>At 31<sup>st</sup> March 2018</b>	-	0.03	0.67	3.05	10.94	41.10	0.23	1.83	1.32	0.81	5.19	0.70	65.87
Depreciation charge for the year	-	0.01	0.28	0.30	2.12	5.22	0.15	1.16	0.61	0.35	2.06	0.43	12.69
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	(0.32)	-	(0.09)	(0.06)	(0.02)	(0.31)	(0.17)	(0.97)
Exchange (Gain) / Loss	-	-	-	-	0.01	0.76	-	0.03	0.06	0.02	0.02	(0.07)	0.83
<b>At 31<sup>st</sup> March 2019</b>	-	0.04	0.95	3.35	13.07	46.76	0.38	2.93	1.93	1.16	6.96	0.89	78.42
<b>Net Book Value</b>													
<b>At 31<sup>st</sup> March 2019</b>	42.69	1.05	4.25	3.01	27.59	41.83	1.49	3.42	2.22	2.34	1.36	2.70	133.95
<b>At 31<sup>st</sup> March 2018</b>	42.75	1.06	4.53	3.31	29.69	44.59	1.17	3.57	2.18	1.83	2.69	3.21	140.58

## 3. Property, Plant and Equipment

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

**Foot Notes:-**

- i) Fixed assets held for disposal included in sales/ adjustment column and transferred to other current assets at Net Book value: -  
( ₹ in crore)

Block of assets	Description of the assets	Manner and expected time of disposal	Expected (Loss)/ Gain on sale of non current assets	Segment	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
					Gross Block	Net Block	Gross Block	Net Block
<b>Plant and Machinery</b>								
Northern Region	Plant and Machinery (Noida Workshop)	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic : PMD Division	0.78	0.05	4.33	0.25
Northern Region	Plant and Machinery (Bikaner Phalodi)	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic	3.38	0.19	-	-
Malaysia Region	Locomotives - 15 No. (24 No.)	Open Tender	0.46	International	0.87	0.87	29.26	1.46
	5 No. (3 No.) of Track Machine, Nil (18 No.) Hopper wagons, 9 No. (15 No.) Flat Wagons & Nil (2 No.) Motor Trolley, 2 No. (Nil) of wide base Tractors	Open Tender	6.89	International	0.50	0.30	17.04	0.85
	Nil (34 No.) of Computer & Printers	Open Tender	-	International	-	-	0.13	0.007
	Nil (7 No.) of Fax machine, Projector & EPABX	Open Tender	-	International	-	-	0.06	0.003
	2 No. (15 No.) of Road Vehicle	Open Tender	-	International	0.12	0.03	2.12	0.10
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
<b>Freehold Land</b>								
Northern Region	Freehold Land (Northern Regional Office)	Through e-tender	-	Domestic	0.06	0.06	-	-
<b>Freehold Building - Residential</b>								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
<b>Total</b>					<b>11.99</b>	<b>2.07</b>	<b>59.22</b>	<b>3.24</b>

- ii) Depreciation and impairment on Property, Plant & Equipment for the year debited to Statement of Profit and Loss are as follows:-

(Rs. in crore)

Description	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Depreciation on Tangible Assets	12.69	13.99
Impairment Loss	-	-
<b>Total</b>	<b>12.69</b>	<b>13.99</b>

- iii) 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.
- iv) Lease hold land includes land at Greater Noida Industrial Development Authority (GNIDA) for construction of proposed Central Inspection Cell (CIC) by the Company (Gross value Rs.0.82 crore). The request for time extension for construction of Building has been submitted to the appropriate authority.
- v) Furniture & Fixtures includes Furnishings also.
- vi) Depreciation and impairment : Includes Foreign Exchange Loss as on 31st March 2019 for Rs. 0.84 crore (as on 31st March 2018 : Rs. (0.93) crore).
- (vii) Office Equipment includes Electrical Appliances and Air Conditioners, the life of such items is considered as 10 years and 5 years respectively.



**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

**4. Capital Work in Progress**

(₹ in crore)

<b>Particulars</b>	<b>Amount</b>
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>2.00</b>
Additions (subsequent expenditure)	1.39
Less : Capitalised during the year	<u>(0.24)</u>
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>3.15</b>
Additions (subsequent expenditure)	47.15
Less : Capitalised during the year	<u>-</u>
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>50.30</b>
<b>Net Book Value</b>	
<b>at 31<sup>st</sup> March 2019</b>	<b>50.30</b>
<b>at 31<sup>st</sup> March 2018</b>	<b>3.15</b>

**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

**5. Investment Property**

(₹ in crore)

Particulars	Noida		Gurugram		Bangalore	Total
	Land	Capital work in progress at Noida	Land	Capital work in progress at Gurugram	Building	
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>260.35</b>	<b>21.04</b>	<b>2.23</b>	<b>20.82</b>	<b>3.04</b>	<b>307.48</b>
Additions (subsequent expenditure)*	-	42.19	-	9.19	-	51.38
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>260.35</b>	<b>63.23</b>	<b>2.23</b>	<b>30.01</b>	<b>3.04</b>	<b>358.86</b>
Additions (subsequent expenditure)*	66.85	35.96	-	16.17	-	118.98
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>327.20</b>	<b>99.19</b>	<b>2.23</b>	<b>46.18</b>	<b>3.04</b>	<b>477.84</b>
<b>Depreciation and Impairment</b>						
<b>Opening balance at 1<sup>st</sup> April 2017</b>	-	-	-	-	<b>0.14</b>	<b>0.14</b>
Depreciation during the year	-	-	-	-	0.05	0.05
<b>Closing balance 31<sup>st</sup> March 2018</b>	-	-	-	-	<b>0.19</b>	<b>0.19</b>
Depreciation during the year	-	-	-	-	0.04	0.04
<b>Closing balance at 31<sup>st</sup> March 2019</b>	-	-	-	-	<b>0.23</b>	<b>0.23</b>
<b>Net Block</b>						
<b>at 31<sup>st</sup> March 2019</b>	<b>327.20</b>	<b>99.19</b>	<b>2.23</b>	<b>46.18</b>	<b>2.81</b>	<b>477.61</b>
<b>at 31<sup>st</sup> March 2018</b>	<b>260.35</b>	<b>63.23</b>	<b>2.23</b>	<b>30.01</b>	<b>2.85</b>	<b>358.67</b>

**Information regarding income and expenditure of Investment property**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Rental income derived from investment properties	0.38	0.35
Profit arising from investment properties before depreciation and indirect expenses	0.38	0.35
Less: Depreciation during the year	(0.04)	(0.05)
Profit arising from investment properties before indirect expenses	0.34	0.30

**Reconciliation of Fair Value**

(₹ in crore)

Particulars	Noida		Gurugram		Bangalore	Total
	Land	Capital work in progress at Noida	Land	Capital work in progress at Gurugram	Building	
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>243.05</b>	<b>6.80</b>	<b>130.89</b>	<b>17.31</b>	<b>5.25</b>	<b>403.30</b>
Fair value difference	(4.02)	48.33	2.31	10.60	0.06	57.28
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>239.03</b>	<b>55.13</b>	<b>133.20</b>	<b>27.91</b>	<b>5.31</b>	<b>460.58</b>
Fair value difference	(0.99)	64.49	3.64	30.49	1.84	99.46
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>238.04</b>	<b>119.62</b>	<b>136.84</b>	<b>58.40</b>	<b>7.15</b>	<b>560.04</b>
Fair value difference for the year	(0.99)	64.49	3.64	30.49	1.84	99.46
<b>Note:-</b>						
<b>Investment Property self constructed</b>	<b>238.04</b>	<b>119.62</b>	<b>136.84</b>	<b>58.40</b>	<b>7.15</b>	<b>560.04</b>
	<b>238.04</b>	<b>119.62</b>	<b>136.84</b>	<b>58.40</b>	<b>7.15</b>	<b>560.04</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

- (i) These valuations are based on valuations performed by accredited independent valuer. Fair Values are based on cost & income/cost/market value approach.
- (ii) The fair value measurement is categorised in Level 3 of fair value hierarchy.
- (iii) Investment property in Noida is at four locations having lease term of 90 years, Properties in Gurugram and bangalore are at one location only which are freehold.

( ₹ in crore)

* Detail of Additions (subsequent expenditure)	As at 31st March 2019		As at 31st March 2018	
	Land	Capital work in progress	Land	Capital work in progress
- Lease Rent Paid	66.85	-	-	-
- Work Expenses	-	41.57	-	46.17
- Consultancy Charges	-	0.22	-	0.50
- Salary & Wages	-	1.44	-	0.97
- Rates & Taxes	-	6.24	-	-
- Vehicle Operation and Maintenance	-	0.10	-	1.36
- Power, Electricity and Water charges	-	2.19	-	1.47
- Advertisement & Publicity	-	0.10	-	0.15
- Staff Welfare	-	0.01	-	0.02
- Bank Charges	-	0.01	-	0.02
- Repairs and Maintenance - Office & Other	-	0.01	-	0.71
- Tour & Travelling	-	0.08	-	-
- Misc. Operating Exp.	-	0.16	-	0.01
<b>Total</b>	<b>66.85</b>	<b>52.13</b>	<b>-</b>	<b>51.38</b>

### 6. Intangible Assets

( ₹ in crore)

Particulars	Intangible assets under development	Intangibles (Software/ Lease Rights/Toll Road)			Total
		Software	Lease Rights	Toll Road	
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>524.87</b>	<b>1.55</b>	<b>72.76</b>	<b>-</b>	<b>74.31</b>
Addition during the year	659.39	0.08	-	-	0.08
Sales / adjustment during the year	(223.74)	(0.01)	-	-	(0.02)
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>960.52</b>	<b>1.62</b>	<b>72.76</b>	<b>-</b>	<b>74.37</b>
Addition during the year	382.42	0.51	-	1,247.94	1,248.46
Capitalisation during the year	(520.76)	-	-	-	-
Sales / adjustment during the year	(817.30)	(0.03)	(0.14)	-	(0.17)
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>4.89</b>	<b>2.10</b>	<b>72.62</b>	<b>1,247.94</b>	<b>1,322.66</b>
<b>Amortisation and Impairment</b>					
<b>Opening balance at 1<sup>st</sup> April 2017</b>	<b>-</b>	<b>0.34</b>	<b>2.48</b>	<b>-</b>	<b>2.82</b>
Amortisation during the year	-	0.45	1.93	-	2.38
Sales / adjustment during the year	-	-	0.00	-	0.00
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>-</b>	<b>0.79</b>	<b>4.41</b>	<b>-</b>	<b>5.20</b>
Amortisation during the year	-	0.44	1.28	37.16	38.88
Sales / adjustment during the year	-	(0.04)	0.00	-	(0.04)
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>1.19</b>	<b>5.69</b>	<b>37.16</b>	<b>44.04</b>
<b>Net book value</b>					
<b>At 31<sup>st</sup> March 2019</b>	<b>4.89</b>	<b>0.91</b>	<b>66.93</b>	<b>1,210.78</b>	<b>1,278.62</b>
<b>At 31<sup>st</sup> March 2018</b>	<b>960.52</b>	<b>0.83</b>	<b>68.35</b>	<b>-</b>	<b>69.17</b>

#### Foot Note:

Lease Rights :- Ircon Infrastructure and Services Limited has entered into an agreement with RLDA (Rail Land Development Authority) to build Multi Functional Complexes (MFCs) at various railway stations. The Land belongs to Railways and the company has construct the buildings on the same and having lease rights (commercial Rights) of 45 years from the date of commencement of MFC. The Lease Rights has been amortised over the lease period from the date in which the concerned project comes into commercial operations on prorata basis.

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 7. Financial Assets

#### 7.1 Investments

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>1. Investments in Equity Instruments (fully paid-up, unquoted, using Equity Method)</b>		
<b>Incorporated Joint Venture</b>		
Ircon-Soma Tollway Private Limited (ISTPL) 6,38,70,000 equity shares of Rs. 10 each ( 31 March 2018 : 6,38,70,000) (Refer note (i))	43.22	27.39
Indian Railway Stations Development Corporation Limited 2,58,00,000 equity shares of Rs.10 each ( 31 March 2018 : 2,00,00,000) (Refer note (ii))	31.55	21.37
Bastar Railway Pvt. Limited 7,63,37,300 equity shares of Rs. 10 each (31 March 2018 : 11,83,000)	76.15	0.36
Jharkhand Central Railway Limited 1,30,00,000 equity shares of Rs. 10 each (31 March 2018 : 13,00,000)	13.13	12.83
Mahanadi Coal Railway Limited 13,000 equity shares of Rs. 10 each (31 March 2018 : 13,000)	0.01	0.01
Chhattisgarh East Railway Limited 12,25,75,700 equity shares of Rs. 10 each (31 March 2018 : 8,35,75,700)	122.36	83.42
Chhattisgarh East-West Railway Limited 13,11,70,000 equity shares of Rs. 10 each (31 March 2018 : 13,11,70,000)	131.01	131.04
<b>Total (1) - Investment in Joint Ventures</b>	<b>417.43</b>	<b>276.42</b>
<b>2. Investment in Bonds (Quoted, at Amortised cost)</b>		
8.00% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 163,131 units of Rs.1,000 each ( 31 March 2018 : 163,131)	16.31	16.31
7.21% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of Rs.10,00,000 each ( 31 March 2018 : 500)	49.98	49.95
8.23% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 5,00,000 units of Rs.1,000 each ( 31 March 2018 : 5,00,000)	50.00	50.00
8.35% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 500 units of Rs. 10,00,000 each ( 31 March 2018 : 500)	49.94	49.93
7.15% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 250 units of Rs. 10,00,000 each ( 31 March 2018 : 250)	24.99	24.98
7.07% Tax Free Indian Railway Finance Corporation Limited (IRFC) Bonds, 3,02,000 units of Rs.1,000 each ( 31 March 2018 : 3,02,000)	30.20	30.20
7.14% NHAI Tax Free Bonds, 1,99,989 units of Rs. 1,000 each (31 March 2018 : 1,99,989)	20.00	20.00
7.02% NHAI Tax Free Bonds, 500 units of Rs. 10,00,000 each (31 March 2018 : 500)	49.98	50.00
<b>Total (2) - Investment in Bonds (Quoted)</b>	<b>291.40</b>	<b>291.37</b>
<b>Total Non - Current Investments (1+2)</b>	<b>708.83</b>	<b>567.79</b>
<b>Aggregate Book Value of Quoted Investments</b>	<b>291.40</b>	<b>291.37</b>
<b>Aggregate Market Value of Quoted Investments</b>	<b>314.23</b>	<b>349.33</b>
<b>Aggregate Book Value of Unquoted Investments</b>	<b>417.43</b>	<b>276.42</b>
<b>Aggregate amount of Impairment in Value of Investments</b>	-	-

- (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) "In FY 2017-18 :IRSDC - Indian Railway Stations Development Corporation Limited, a Subsidiary with equity participation of 51% from IRCON : Ministry of Railway vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from IRCON, thereby revising the ownership and non-controlling interest to 50:50. The composition of IRSDC was converted to Joint venture with 1% share transferred by Ircon to RLDA at a value of Rs. 0.40 crore.In FY 2018-19 :BoD has approved further equity investment of Rs. 24 crore (including premium, if any) in IRSDC over and above the amount of Rs. 40 crore already committed. Further, Rites limited has been introduced as third strategic partner / shareholder in IRSDC and revised Promotors' agreement shall be entered into between RLDA, IRCON & RITES with revised shareholding pattern."

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### Financial Assets (Non Current)

#### 7.2 Loans

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.23	0.42
<b>Total (A) - Considered Good : Secured</b>	<b>0.23</b>	<b>0.42</b>
<b>B. Considered Good : Unsecured</b>		
<b>(i) Loans to Related Parties:</b>		
Joint Ventures		
- Chhattisgarh East West Railway Ltd.	39.00	39.00
<b>Total (i)</b>	<b>39.00</b>	<b>39.00</b>
<b>(ii) Others:</b>		
Staff Loans & Advances *	0.28	0.25
<b>Total (B) - Considered Good : Unsecured (i+ii)</b>	<b>39.28</b>	<b>39.25</b>
<b>C. Significant Increase in Credit Risk</b>	-	-
<b>D. Credit Impaired</b>	-	-
<b>Grand Total - Loans (A+B+C+D)</b>	<b>39.51</b>	<b>39.67</b>

#### \* Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in staff loans and advances	0.0020	0.0068
<b>Total</b>	<b>0.0020</b>	<b>0.0068</b>

#### 7.3 Other Financial Assets

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Good</b>		
Security Deposits		
- Government Departments	0.06	0.04
- Others	0.40	0.19
Retention Money with Client	104.78	61.63
Money Withheld by Client	3.47	3.47
Fixed Deposits having remaining maturity of more than 12 months {refer foot note (i)}	0.41	0.71
Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee)	2.39	3.48
Fixed Deposits received from Contractors {refer foot note (ii)}	8.89	9.02
Interest Accrued on Advances to Staff #	0.33	0.50
Interest Accrued on Advances to Rail Land Development Authority (RLDA)	-	3.44
Interest Accrued on Loans to Related Party	-	0.01
Others		
- Recoverable from Govt of Mozambique	-	35.62
- Recoverable from RLDA {refer foot note (iii) (a) & (b)}	2,590.45	2,616.09
- Advance Lease Rent	-	0.01
- Construction cost incurred in terms of SCA	134.26	2.46
<b>Total - Other Financial Assets</b>	<b>2,845.44</b>	<b>2,736.67</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### # Details of amount due from Directors:

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in interest accrued on staff loans and advances	0.0029	0.0022
<b>Total</b>	<b>0.0029</b>	<b>0.0022</b>

#### Foot Notes:-

- (i) Includes FDRs under Lien for Rs. 0.41 crore (Rs. 0.41 crore)
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) (a) The Group has raised a loan from Indian Railway Finance Corporation ("IRFC") which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the 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.

(b) Includes advance paid to RLDA for an amount of Rs. 10.00 crore (as on 31 March 2018 : Rs. 15 crore) as per Memorandum of Understanding (MOU) dated 3rd August 2017 for redevelopment of Safdarjung Railway Station."

### 8. Deferred Tax Assets

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Provisions	111.27	117.76
Property, Plant and Equipment and Intangible Assets	(20.42)	(16.16)
Others	37.57	32.27
<b>Closing balance as at 31 March</b>	<b>128.42</b>	<b>133.87</b>

#### Reconciliation / Movements in Deferred Tax Assets

Particulars	Provisions	PPE and Intangible Assets	Others	Total
<b>As at 1<sup>st</sup> April 2017</b>	<b>131.48</b>	<b>(13.22)</b>	<b>26.79</b>	<b>145.05</b>
(Charged)/Credited :				
- to Profit or Loss	(13.72)	(2.94)	5.48	(11.18)
- to Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>117.76</b>	<b>(16.16)</b>	<b>32.27</b>	<b>133.87</b>
(Charged)/Credited :				
- to Profit or Loss	(6.49)	(4.26)	5.30	(5.45)
- to Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>111.27</b>	<b>(20.42)</b>	<b>37.57</b>	<b>128.42</b>

Deferred Tax Liabilities have been off set as they relate to the same governing law.

**Income Tax Expense  
Profit or Loss Section**

(₹ in crore)

Particulars	31st March 2019	31st March 2018
<b>Current Income Tax:</b>		
Current Income Tax Charge	219.63	178.97
Adjustments in respect of Current Income Tax of Previous Year	(50.89)	(43.37)
<b>Deferred Tax:</b>		
Relating to Origination and Reversal of Temporary Differences	5.45	11.18
<b>Income Tax Expense Reported in the Statement of Profit and Loss</b>	<b>174.19</b>	<b>146.78</b>

**OCI Section**

Income Tax related to items recognised in OCI during the year:

(₹ in crore)

Particulars	31st March 2019	31st March 2018
Income Tax relating to Gain/Loss on Remeasurement Gain/(Loss) on Defined Benefit Plans	0.69	(0.95)
Income Tax relating to Foreign Exchange Translation Differences	(4.87)	1.68
<b>Income Tax Charged to OCI</b>	<b>(4.18)</b>	<b>0.73</b>

**Reconciliation of Tax Expense and the Accounting Profit Multiplied by India's  
Domestic Tax Rate for 31 March 2019 and 31 March 2018:**

(₹ in crore)

Particulars	31st March 2019	31st March 2018
Accounting Profit before tax from Continuing Operations	612.29	557.55
Accounting Profit/(loss) before tax from Discontinued Operations	-	-
<b>Accounting Profit Before Income Tax</b>	<b>612.29</b>	<b>557.55</b>
At India's Statutory Income Tax Rate	215.45	188.48
Adjustments in respect of Current Income Tax of Previous Years	(50.80)	(43.31)
Utilisation of Previously Unrecognised Tax Losses		
- Non Taxable Items	(17.67)	(52.04)
- Rate Difference	-	-
- Other	(1.25)	0.48
Non-Deductible Expenses for Tax Purposes:		
- Other Country Additional Tax	19.07	30.09
- Other Non-Deductible Expenses	5.21	23.80
<b>At the Effective Income Tax Rate of 27.77% (31 March 2018: 26.46%)</b>	<b>170.01</b>	<b>147.50</b>
Income Tax Expense Reported in the Statement of Profit and Loss	170.01	147.50
Income Tax attributable to Discontinued Operations	-	-
	<b>170.01</b>	<b>147.50</b>

**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

**9. Other Non-Current Assets**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>a) Advances Other than Capital Advances</b>		
Advances to Contractors against material and machinery	154.74	19.92
Advances to Contractors, Suppliers and Others	0.07	68.61
Deposits with Tax Departments	7.22	6.93
<b>Total - Advances Other than Capital Advances (a)</b>	<b>162.03</b>	<b>95.46</b>
<b>b) Others</b>		
Unsecured, Considered Good		
Interest Accrued on :		
- Advances to Contractors, Suppliers & Others	0.89	52.19
Prepaid Expenses	-	-
Fair valuation adjustment	0.01	0.13
<b>Total - Others (b)</b>	<b>0.90</b>	<b>52.32</b>
<b>Grand Total (a+b+c)</b>	<b>162.93</b>	<b>147.78</b>

**10. Inventories**

(Rs. in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Raw Material		
- In Hand	23.58	20.51
- With Third Parties	30.90	9.94
- In Transit	-	0.19
Others (Scrap)	0.29	1.79
Construction Work In progress (at Cost)	277.17	108.31
<b>Total</b>	<b>331.94</b>	<b>140.74</b>



**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

**11. Financial Assets****11.1 Investments**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Investment at Fair Value through Profit & Loss		
Investment in Mutual funds (Quoted)		
UTI Money market Fund - Direct Plan - Daily Dividend (Reinvestment) : No. of Units : 1,69,594.888 (31 March 2018 : 1,69,594.888 )	-	17.02
SBI Premier Liquid Fund - Daily Dividend Plan : No. of Units : 6,93,682.97 (31 March 2018 : Nil)	69.59	-
IDBI Liquid fund - Direct Plan - Daily Dividend (Reinvestment) : No. of Units : 19,86,853.588 (31 March 2018 :19,86,853.588)	-	199.15
UTI Liquid Cash Plan - Direct Plan - Daily Dividend : No. of Units : 2,95,575.202 (31 March 2018 : Nil)	30.13	-
<b>Total Investments (Refer Foot Note (i))</b>	<b>99.72</b>	<b>216.17</b>
<b>Aggregate Book Value of Quoted Investments</b>	<b>99.72</b>	<b>216.17</b>
<b>Aggregate Market Value of Quoted Investments</b>	<b>99.72</b>	<b>216.17</b>
<b>Aggregate Book Value of Unquoted Investments</b>	-	-
<b>Aggregate amount of Impairment in Value of Investments</b>	-	-
(i) Includes <b>Rs. 4.61 crore</b> (31 March 2018 :Nil) for project site at Bandra (East).		

**Financial Assets****11.2 Trade Receivables**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Good : Secured</b>		
- Trade receivables	62.14	34.22
<b>Considered Good : Unsecured</b>		
- Trade receivables * (Refer Note No. 27 )	603.90	641.00
<b>Significant Increase in Credit Risk</b>		
- Trade receivables	-	-
<b>Credit Impaired :</b>		
- Trade receivables	27.28	26.71
Less : Impairment allowances for doubtful debts	(27.28)	(26.71)
<b>Total</b>	<b>666.04</b>	<b>675.22</b>

**Financial Assets****11.3 Cash and Cash equivalents**

(₹ in crore)

Particulars	Foot Note	As at 31st March 2019	As at 31st March 2018
Cash in hand		0.06	0.10
Cheques/drafts in hand		0.08	0.94
Remittance in Transit		4.50	-
Balances with banks:			
- On current accounts		136.78	216.13
- Flexi Accounts	(i)	213.44	246.31
- Deposits with original maturity of less than 3 months (Refer Note No. 27)	(i) & (iii)	537.26	1,090.63
<b>Total</b>		<b>892.12</b>	<b>1,554.11</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### Financial Assets

#### 11.4 Bank Balances other than Cash and Cash Equivalents

(₹ in crore)

Particulars	Foot Note	As at 31st March 2019	As at 31st March 2018
<b>Other Bank Balances</b>			
– Deposits with original maturity of more than 3 months but less than 12 months	(i)	2,170.98	3,117.54
– Deposits with original maturity of more than 3 months but less than 12 months (Bank Guarantee)		2.29	0.62
– Fixed Deposits received from Contractors	(ii)	18.56	18.33
<b>Total</b>		<b>2,191.83</b>	<b>3,136.49</b>

#### Foot Notes :-

- (i) Includes Clients Fund of **Rs. 2,256.30 crore** (31st March 2018 : Rs. 2,884.78 crore) on which interest is passed on to them.
- (ii) Fixed Deposits received from Contractors are realisable, if the contractor fails to fulfil its obligations as per the terms and conditions of the contract agreement.
- (iii) Includes Rs. Nil (31 March 2018 : Rs. 593.55 crore) earmarked for expenses for project site at Bandra (East).

### Financial Assets

#### 11.5 Loans

Particulars	As at 31st March 2019	As at 31st March 2018
<b>A. Considered Good : Secured</b>		
Staff Loans and Advances	0.62	0.98
<b>Total (A) - Considered Good : Secured</b>	<b>0.62</b>	<b>0.98</b>
<b>B. Considered Good : Unsecured</b>		
Staff Loans & Advances *	1.27	0.93
<b>Total (B) - Considered Good : Unsecured</b>	<b>1.27</b>	<b>0.93</b>
C. Significant Increase in Credit Risk	-	-
D. Credit Impaired	-	-
<b>Grand Total (A+B+C+D)</b>	<b>1.89</b>	<b>1.91</b>

#### \* Details of amount due from Directors:

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in staff loans and advances	0.0048	0.0048
<b>Total</b>	<b>0.0048</b>	<b>0.0048</b>

**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

**11.6 Other Financial Assets**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Good</b>		
<b>Security Deposits</b>		
- Government Departments	30.33	7.67
- Others	127.70	1.71
Retention Money with Client	6.46	10.59
Money Withheld by Client	70.83	68.93
Earnest Money Deposit	0.61	40.33
Fixed deposits having remaining maturity of less than 12 months	8.95	-
Fixed deposits having remaining maturity of less than 12 months (Bank Guarantee)	0.44	-
<b>Interest Accrued on :</b>		
- Advance to Staff	0.61	0.66
- Loans to Related Parties	4.40	-
- Advances to Rail Land Development Authority (RLDA)	274.42	-
- Deposits with Banks	49.32	77.37
- Bonds	17.83	17.86
<b>Contract Asset:</b>		
- Billable Revenue / Receivable not due {refer foot note (i)}	222.44	262.07
- Construction Work in Progress (At realisable value)	178.16	116.18
<b>Share Application Money pending Allotment :</b>		
Indian Railway Stations Development Corporation Limited - 1,42,00,000 equity shares of Rs.10 each (31 March 2018 : 2,00,00,000) (Refer note no. 7.1, foot note no. (ii))	14.20	20.00
<b>Other Recoverable :</b>		
(a) Recoverable from Related Parties (Joint Ventures)		
- RICON	1.02	0.81
- International Metro Civil Contractor	3.62	2.84
- Metro Tunnelling Group	4.20	4.04
- Ircon Soma Tollway Private Limited	7.05	7.04
- Indian Railway Station Development Corporation Limited	0.96	0.71
- IRCON - AFCON JV	29.47	46.40
- Chhattisgarh East Railway Limited	0.24	1.02
- Mahanadi Coal Railway Limited	1.04	0.57
(b) Recoverable from Govt. of Mozambique	38.22	35.92
(c) Recoverable from Rail Land Development Authority (RLDA)	516.53	-
(d) Claims Recoverable from Clients	15.38	4.39
(e) Advance Lease Rent	0.22	13.82
f) Others (Refer Note No. 27)	116.68	113.92
<b>Total - Other Financial Assets - Good</b>	<b>1,741.33</b>	<b>854.85</b>

**Notes to Consolidated Financial Statement for the financial**  
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(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Considered Doubtful</b>		
Security Deposits		
- Government Departments	0.12	0.11
- Others	0.19	0.18
Earnest Money Deposit	0.16	-
Retention Money with Client	5.99	7.29
Money Withheld by Client	5.74	6.06
Less : Impairment allowance for doubtful financial assets (others)	(12.20)	(13.64)
<b>Total - Other Financial Assets - Doubtful</b>	-	-
<b>Grand Total - Other Financial Assets</b>	<b>1,741.33</b>	<b>854.85</b>

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 Rs. Nil (Rs. Nil).

**Details of amount due from Directors:**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount due from directors included in interest accrued on staff loans and advances	-	-
<b>Total</b>	-	-

- i) (a) Includes Value of work amounting to ₹ **16.93 crore** (Rs. 7.99 crore) certified by client, but not billed by reporting date.  
 (b) Includes ₹ **14.47 crore** (Rs. 8.50 crore) from Chhattisgarh East Railway Limited, a Joint Venture Company.  
 (c) Includes ₹ **0.27 crore** (Rs. 1.07 crore) from Chhattisgarh East West Railway Limited, a Joint Venture Company.

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 12. Current Tax Assets (Net)

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	41.72	33.93
<b>Current tax Assets (Net)</b>	<b>41.72</b>	<b>33.93</b>

### 12.1 Other Current Assets

(₹ in crore)

Particulars	Foot Note	As at 31st March 2019	As at 31st March 2018
<b>Considered Good</b>			
<b>a) Advances Other than Capital Advances</b>			
Advances to Contractors against Material and Machinery		285.32	331.99
Advances to Contractors, Suppliers and Others		532.60	219.30
<b>Advance Recoverable from:</b>			
- Sales Tax (including TDS)		340.11	315.73
Less : Deposited under Protest		(218.65)	(218.65)
- Value Added Tax		112.13	90.57
- Goods & Services Tax		356.17	203.36
- Service Tax Input Credit		0.01	0.01
Security Deposits		15.84	-
<b>Total - Advances Other than Capital Advances</b>		<b>1,423.53</b>	<b>942.31</b>
<b>Considered Good</b>			
<b>b) Others</b>			
Interest Accrued on:			
Deposits & Advances with:			
- Contractors, Suppliers & Others		90.73	47.18
Assets held for disposal	(i)	2.07	3.24
Prepaid Expenses		5.29	6.47
Fair Valuation Adjustment		0.15	0.37
Others		0.01	-
<b>Total - Others</b>		<b>98.25</b>	<b>57.26</b>
<b>c) Considered Doubtful</b>			
Advances to Contractors, Suppliers and Others		16.94	15.89
Sales Tax (including TDS)		36.02	36.04
Others		-	0.04
Value Added Tax		7.18	7.17
Less: Impairment allowance for doubtful advances		(60.14)	(59.14)
<b>Total - Considered Doubtful</b>		<b>-</b>	<b>-</b>
<b>Grand Total (a+b+c)</b>		<b>1,521.78</b>	<b>999.57</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

(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 31st March 2019		As at 31st March 2018	
					Gross Block	Net Block	Gross Block	Net Block
<b>Plant and Machinery</b>								
Northern Region	Plant and Machinery (Noida Workshop)"	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic : PMD Division	0.78	0.05	4.33	0.25
Northern Region	Plant and Machinery (Bikaner Phalodi)	Through e-auction like MSTC with expected time of disposal by end of year 2020	-	Domestic	3.38	0.19	-	-
Malaysia Region	Locomotives - 15 No. (24 No.)	Open Tender	0.46	International	0.87	0.87	29.26	1.46
	5 No. (3 No.) of Track Machine, Nil (18 No.) Hopper wagons, 9 No. (15 No.) Flat Wagons & Nil (2 No.) Motor Trolley, 2 No. (Nil) of wide base Tractors	Open Tender	6.89	International	0.50	0.30	17.04	0.85
	Nil (34 No.) of Computer & Printers	Open Tender	-	International	-	-	0.13	0.007
	Nil (7 No.) of Fax machine, Projector & EPABX	Open Tender	-	International	-	-	0.06	0.003
	2 No. (15 No.) of Road Vehicle	Open Tender	-	International	0.12	0.03	2.12	0.10
Mozambique Project	Plant and Machinery		-	International	5.90	0.29	5.90	0.29
<b>Freehold Land</b>								
Northern Region	Freehold Land (Northern Regional Office)	Through e-tender	-	Domestic	0.06	0.06	-	-
<b>Freehold Building - Residential</b>								
Southern Region	Freehold Building - Residential at Chennai	Open Tender	-	Domestic	0.38	0.28	0.38	0.28
<b>Total</b>					<b>11.99</b>	<b>2.07</b>	<b>59.22</b>	<b>3.24</b>

**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

**13. Equity Share Capital**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Authorised Share Capital</b>		
40,00,00,000 Equity shares of Rs.10 each (40,00,00,000 Equity shares of Rs.10 each as at 31st March 2018)	400.00	400.00
	400.00	400.00
<b>Issued/Subscribed and Paid up Capital</b>		
9,40,51,574 Equity shares of Rs.10 each-fully paid {refer note (i)} (9,40,51,574 Equity shares of Rs.10 each-fully paid as at 31st March 2018)	94.05	94.05
	<b>94.05</b>	<b>94.05</b>

**Details of Shareholders holding more than 5% of fully paid-up equity shares:**

Name of the shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Government of India in the name of the President of India and Government nominees	83,878,417	89.18%	93,783,574	99.71%

**Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
	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	-	-	79,184,000	-	-	-
Equity shares Buy Back	-	4,928,426	-	-	-	-
<b>Total</b>	-	<b>4,928,426</b>	<b>79,184,000</b>	-	-	-

**Terms / Rights attached to Equity Shares :****(a) Voting**

The Group has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

**(b) 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.

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### Reconciliation of the number of equity shares and share capital

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of Shares	Rs in crore	No. of Shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	94,051,574	94.05	98,980,000	98.98
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	(4,928,426)	(4.93)
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	<b>94,051,574</b>	<b>94.05</b>	<b>94,051,574</b>	<b>94.05</b>

- (i) Consequent upon Govt. of India decision to disinvest, 99,05,157 shares of the Holding Company were allotted to public on 26th September 2018 and shares of the holding company listed on NSE & BSE on 28th September 2018. However, this IPO was for disinvestment of shares held by Government of India so, Holding Company's Share Capital is not affected. The proceeds of the disinvestment have been realized by Govt. of India (GOI).
- (ii) 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 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.



## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 14. Other Equity

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(a) Retained Earnings</b>		
Opening Balance	368.87	430.15
Transfer from surplus in statement of profit and loss	450.07	408.66
Dividend declared and paid during the year including Corporate Dividend Tax	(117.24)	(117.05)
Interim Dividend including Tax thereon	(121.55)	(114.52)
Re-measurement of defined benefit plans (net of tax)	1.28	(1.80)
Payment of Fee for increase in Authorised Capital	-	(1.99)
Payment for Buy Back of Shares	-	(234.57)
Changes in carrying value of Investments in Joint Ventures Other than share in Profit/(Loss)	(0.50)	(0.01)
<b>Closing Balance</b>	<b>580.93</b>	<b>368.87</b>
<b>(b) General Reserve</b>		
Opening Balance	3,284.64	3,284.64
Transfer from Retained Earnings	-	-
<b>Closing Balance</b>	<b>3,284.64</b>	<b>3,284.64</b>
<b>(c) Capital Redemption Reserve</b>		
Opening Balance	4.93	-
Transfer for Buy Back of Equity Shares	-	4.93
<b>Closing Balance</b>	<b>4.93</b>	<b>4.93</b>
<b>(d) Items of Other Comprehensive Income</b>		
Opening Balance	8.74	5.56
Foreign Currency Translation (net of tax) during the year	(9.07)	3.18
<b>Closing Balance</b>	<b>(0.33)</b>	<b>8.74</b>
<b>Grand Total</b>	<b>3,870.17</b>	<b>3,667.18</b>

#### 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) Items of Other Comprehensive Income

Other Comprehensive Income represents balance arising on account of exchange difference on translation of foreign operations.

#### Distribution made and proposed dividend

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Cash dividends on equity shares declared / paid:</b>		
Final Dividend of FY 2017-18 paid during 2018-19: INR 10.34 per share (Paid during FY 2017-18: INR 27.80 per share)	97.25	97.25
Dividend distribution tax on Final Dividend	19.99	19.80
Interim Dividend paid during 2018-19: INR 10.72 per share (Paid during FY 2017-18: INR 10.11 per share)	100.82	95.15
Dividend distribution tax on Interim Dividend	20.72	19.37
<b>Total</b>	<b>238.78</b>	<b>231.57</b>
<b>Proposed dividends on equity shares:</b>		
Dividend for 31 <sup>st</sup> March 2019: INR 10.825 per share (31 <sup>st</sup> March 2018: INR 10.34 per share)	101.81	97.25
Dividend distribution tax on proposed dividend	20.93	19.99
<b>Total</b>	<b>122.74</b>	<b>117.24</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 15. Financial Liabilities (Non Current)

#### 15.1 Borrowings

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Unsecured:</b>		
Loan From Indian Railway Finance Corporation {Refer Note below}	2,560.00	3,200.00
<b>Total</b>	<b>2,560.00</b>	<b>3,200.00</b>

#### Notes :

##### (a) Terms and Conditions of the unsecured Loan :

The Group has raised a loan from Indian Railway Finance Corporation ("IRFC") which in turn have been paid to Railway Land Development Authority ("RLDA") in terms of lease agreement. As per the Memorandum of understanding ("MOU") entered between RLDA and the 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 7.3 (Foot Note (iii)(a))].**

##### (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.

#### 15.2 Trade Payables

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
(A) Micro, Small & Medium Enterprises (Refer Note no. 46)	-	-
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers	-	0.46
<b>Total</b>	<b>-</b>	<b>0.46</b>

#### 15.3 Other Financial Liability

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest Accrued on Loan from Indian Railway Finance Corporation	-	3.08
Deposits and Retention money	313.70	320.95
Amount Payable to Client	0.18	0.55
Interest Payable on Advance from Client	31.26	65.38
<b>Total</b>	<b>345.14</b>	<b>389.96</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 16. Provisions

(₹ in crore)

Particulars	Foot Note	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits	16.1	104.15	88.71
Provision for Doubtful Assets	16.2	99.63	99.50
Other Provisions	16.3	368.61	252.03
		<b>572.39</b>	<b>440.24</b>
Less: Impairment Provision for Doubtful Assets (Presented Separately)	16.2	(99.63)	(99.50)
<b>Total</b>		<b>472.76</b>	<b>340.74</b>
<b>Current</b>		<b>392.83</b>	<b>265.44</b>
<b>Non Current</b>		<b>79.93</b>	<b>75.30</b>

The disclosure of provisions movement as required under the requirements of Ind AS 37 is as follows :

#### 16.1 Provision for Employee Benefits :

##### (a) Provision for Retirement Benefits

(₹ in crore)

Particulars	Gratuity	Leave Salary	Settlement Allowance on Retirement	Post Retirement Medical Benefits	Total
<b>As at 01<sup>st</sup> April-2018</b>	<b>0.02</b>	<b>58.62</b>	<b>1.29</b>	<b>12.81</b>	<b>72.74</b>
Current	0.01	5.67	1.29	12.81	19.78
Non Current	0.01	52.95	-	-	52.96
Provision made during the year	-	10.49	0.01	4.78	15.28
Less: Utilization during the year	-	(6.79)	(0.02)	(8.32)	(15.13)
Less: Write Back during the year	-	-	-	-	-
(Exchange Gain) / Loss	-	0.06	-	-	0.06
<b>As at 31<sup>st</sup> March-2019</b>	<b>0.02</b>	<b>62.38</b>	<b>1.28</b>	<b>9.27</b>	<b>72.95</b>
Current	-	6.91	0.14	9.27	16.32
Non Current	0.02	55.47	1.14	-	56.63

##### (b) Provision for other Employee Benefits

(₹ in crore)

Particulars	Performance Related Pay	Leave Travel Concession	Total
<b>As at 01<sup>st</sup> April-2018</b>	<b>15.95</b>	<b>0.03</b>	<b>15.98</b>
Current	15.95	0.01	15.96
Non Current	-	0.02	0.02
Provision made during the year	20.75	0.13	20.88
Less: Utilization during the year	(5.39)	(0.01)	(5.40)
Less: Write Back during the year	(0.25)	-	(0.25)
<b>As at 31<sup>st</sup> March-2019</b>	<b>31.06</b>	<b>0.15</b>	<b>31.21</b>
Current	31.06	0.01	31.07
Non Current	-	0.14	0.14
<b>Total Provision for Employee Benefits (a+b)</b>			
<b>At 31<sup>st</sup> March-2019</b>			<b>104.16</b>
<b>At 31<sup>st</sup> March-2018</b>			<b>88.72</b>

## Notes to Consolidated Financial Statement for the financial

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### 16.2 Provision for Doubtful Assets :

( ₹ in crore)

Particulars	Doubtful Debts	Doubtful Advances	Total
<b>As at 01<sup>st</sup> April-2018</b>	<b>26.72</b>	<b>72.79</b>	<b>99.51</b>
Current	26.72	72.79	99.51
Non Current	-	-	-
Provision made during the year	0.83	1.84	2.67
Less: Utilization during the year	(0.27)	(0.41)	(0.68)
Less: Write Back during the year	-	(1.87)	(1.87)
(Exchange Gain) / Loss	-	-	-
<b>As at 31<sup>st</sup> March-2019</b>	<b>27.28</b>	<b>72.35</b>	<b>99.63</b>
Current	27.28	72.35	99.63
Non Current	-	-	-

### 16.3 Other Provisions :

( ₹ in crore)

Particulars	Demobilisation	Corporate Social Responsibility	Maintenance	Foreseeable Loss	Design Guarantee	Legal Cases	Other Expenses	Total
<b>As at 01-April-2018</b>	<b>13.64</b>	<b>0.07</b>	<b>57.38</b>	<b>3.25</b>	<b>14.96</b>	<b>92.66</b>	<b>70.06</b>	<b>252.02</b>
Current	12.84	0.07	35.86	3.25	14.96	92.66	70.06	229.70
Non Current	0.80	-	21.52	-	-	-	-	22.32
Provision made during the year	0.29	-	8.44	-	-	15.44	170.21	194.38
Less: Utilization during the year	(0.06)	(0.07)	(18.12)	(0.36)	-	(5.86)	(1.99)	(26.46)
Less: Write Back during the year	(1.15)	-	(0.47)	(2.89)	(14.99)	(33.94)	(0.74)	(54.18)
(Exchange Gain) / Loss	0.66	-	0.66	-	0.03	-	-0.58	0.77
Unwinding of discount	0.01	-	2.06	-	-	-	-	2.07
<b>As at 31-March-2019</b>	<b>13.39</b>	<b>-</b>	<b>49.95</b>	<b>-</b>	<b>-</b>	<b>68.30</b>	<b>236.96</b>	<b>368.60</b>
Current	12.38	-	27.80	-	-	68.30	236.96	345.44
Non Current	1.01	-	22.15	-	-	-	-	23.16

**Notes to Consolidated Financial Statement for the financial**  
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**17. Other Non- Current Liabilities**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>a) Contract Liability</b>		
Advance from Clients	678.58	817.51
<b>b) Others</b>		
Upfront Amount from Sub - leasing of MFCs	31.76	31.47
Others	-	0.56
<b>Total</b>	<b>710.34</b>	<b>849.54</b>

**18. Financial Liabilities (Current)****18.1 Trade Payables**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
(A) Micro, Small & Medium Enterprises (Refer Note no. 46)	18.95	5.67
(B) Other than Micro, Small & Medium Enterprises		
(i) Contractor & Suppliers (Refer Note no. 27)	546.54	504.66
<b>Total</b>	<b>565.49</b>	<b>510.33</b>

**18.2 Other Financial Liabilities**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long-Term Debt : Loan From Indian Railway Finance Corporation	516.53	-
Interest Accrued on Loan from Indian Railway Finance Corporation	272.77	-
Gratuity Payable	4.01	16.15
Deposits, Retention Money and Money Withheld (Refer Note No. 27)	742.26	520.18
Amount Payable to Client	475.54	335.13
Interest Payable on Advance from Client (Refer Note No. 27)	205.80	166.52
Other Payables (including Staff Payable) (Refer Note No. 27)	85.40	74.72
<b>Total</b>	<b>2,302.31</b>	<b>1,112.70</b>

**Notes to Consolidated Financial Statement for the financial**  
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**19. Other Current Liabilities**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>a) Contract Liability</b>		
Advance from Clients	2,170.33	2,372.23
Less: Deposits under protest	(218.65)	(218.65)
Advance Contract Receipts	229.42	223.55
<b>b) Other Advances</b>		
Advance from others	1.33	-
<b>c) Others</b>		
Statutory dues	205.69	213.20
Upfront Amount from Sub - leasing of MFCs	1.44	1.44
Others	-	0.01
<b>Total</b>	<b>2,389.56</b>	<b>2,591.78</b>

**19.1 Current Tax Liability (Net)**

(₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for tax (Net of Advance Tax)	9.05	14.13
<b>Current tax Liability (Net)</b>	<b>9.05</b>	<b>14.13</b>

**20. Revenue from Operations**

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Contract Revenue	4,222.70	3,216.44
Revenue from Toll Operations	77.62	-
Machinery Hire Charges	11.41	5.50
MFC Leasing	17.79	14.83
Project Management Consultancy	47.68	15.50
Other Revenue		
- Amortisation of Financial Instruments (Refer Note No. 27 & 56)	-	48.73
- Other Operating Revenue	414.37	696.88
<b>Total</b>	<b>4,791.57</b>	<b>3,997.88</b>

**Notes to Consolidated Financial Statement for the financial**  
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**21. Other Income**

( ₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Interest Income :</b>		
Interest on Tax Free Bonds	22.07	22.08
Interest on Refund of Income-tax	34.81	19.58
Interest on Staff Advances	0.14	0.18
Interest on loan to Related Parties*	4.87	13.52
Interest on Other Advances	13.96	3.78
Interest income on Unwinding of Financial Instruments (Refer Note No. 56)	0.39	7.69
Bank Interest Gross (Refer Note No. 27)	194.85	245.51
Less:- Interest passed to Clients	(129.33)	(166.61)
<b>Others :</b>		
Profit on Sale of Assets	15.59	4.08
Miscellaneous Income (Refer Note No. 27)	24.19	23.81
Exchange Fluctuation Gain	-	32.04
Less:- Exchange Fluctuation Loss	-	(30.66)
Dividend Income	14.68	16.34
Less:-Dividend passed to Clients	(5.04)	(2.33)
<b>Total</b>	<b>191.18</b>	<b>189.01</b>

**\* Interest on loan to Related Parties:**

( ₹ in crore)

Particulars of Related Parties	2018-19	2017-18
- Chhattisgarh East Railway Limited	-	10.44
- Chhattisgarh East-West Railway Limited	4.87	3.08
	<b>4.87</b>	<b>13.52</b>

**Notes to Consolidated Financial Statement for the financial**  
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**22. (i) Materials and Stores Consumed**

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019		For the year ended 31st March 2018	
Opening Balance		32.24		38.92	
Add: Purchases during the year	(i)	413.22		342.61	
		<u>445.46</u>		<u>381.53</u>	
Closing Balance		<u>(54.77)</u>	390.69	<u>(32.24)</u>	349.29
<b>Total</b>			<b>390.69</b>		<b>349.29</b>

 (i) Includes Exchange gain/ loss of **Rs. 0.80 crore** (As at 31st March 2018 : Rs. 0.10 crore).

**22. (ii) (Increase) / Decrease in WIP**

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019		For the year ended 31st March 2018	
Opening Balance		108.31		98.64	
Add: Adjustments during the year	(i)	(0.51)		(0.89)	
		<u>107.80</u>		<u>97.75</u>	
Closing Balance		<u>(277.17)</u>	(169.37)	<u>(108.31)</u>	(10.56)
<b>Total</b>			<b>(169.37)</b>		<b>(10.56)</b>

 (i) Includes Exchange gain/ loss of **Rs. 0.51 crore** (As at 31st March 2018 : Rs. 0.89 crore).



## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 22. (iii) Project and Other Expenses

(₹ in crore)

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2019	For the year ended 31st March 2018
Work Expenses (Refer Note No. 27)		3,504.50	2,872.28	-	-
Toll Operation and Maintenance Expenses		7.62	-	-	-
Design, Drawing, Business Development & Consultancy Charges		9.21	13.77	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		16.92	16.15	-	-
Repairs and Maintenance of Machinery		6.36	6.34	-	-
Hire charges of Machinery		6.74	2.89	-	-
Exchange Fluctuation Loss		-	-	24.91	-
Less:- Exchange Fluctuation Gain		-	-	(22.58)	-
Net Exchange Fluctuation Loss		-	-	2.33	-
Rent - Non-residential		5.87	5.05	1.82	1.62
Rates and Taxes		32.34	27.07	0.58	1.21
Vehicle Operation and Maintenance		15.77	9.95	1.74	1.73
Repairs and Maintenance					
- Building		0.13	0.12	0.79	0.85
- Office and Others		4.14	10.91	4.99	3.64
Power, Electricity and Water Charges (Refer Note No. 27)		4.25	2.34	1.59	1.43
Insurance		5.65	6.04	0.57	0.16
Travelling & Conveyance		13.92	10.80	3.12	3.18
Printing & Stationery		1.34	1.38	0.85	0.97
Postage, Telephone & Telex		1.55	1.46	0.68	0.67
Legal & Professional Charges(Refer Note No. 27)		19.38	10.10	7.68	6.88
Security Services		2.76	3.13	0.62	0.25
Listing Expenses (Refer note No. 13 (i))		-	-	4.19	-
Business Promotion		0.21	0.33	0.62	0.89
Write-off of :					
- Debts		0.27	-	-	-
- Advances		0.37	-	-	-
- Other Assets		0.30	0.29	-	-
Loss on Sale of Assets/Stores		-	-	1.19	0.13
Director's Sitting Fee		-	-	0.14	0.14
Donation		-	-	0.04	0.01
Auditor's Remuneration	(i)	-	-	0.86	0.71
Advertisement & Publicity		-	-	6.07	7.59
Training & Recruitment		-	-	1.50	1.75
Corporate Social Responsibility (Refer Note No. 47)		-	-	8.95	8.83
Miscellaneous Expenses		5.99	4.18	1.79	1.78
Interest on Late Payment of Statutory dues		-	-	-	0.03
Fee & Subscription Charges		-	-	0.06	-
Provisions (Addition - Write Back) (Refer Note 16)		141.00	(9.60)	-	-
Provisions Utilised (Refer Note 16)		(27.07)	(47.27)	-	-
Preliminary Expenses		0.10	-	-	-
<b>Total</b>		<b>3,779.62</b>	<b>2,947.71</b>	<b>52.77</b>	<b>44.45</b>

### (i) Payment to Statutory Auditors:

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Audit Fee - Current Year	0.43	0.43
(b) Tax Audit Fees - Current Year	0.12	0.13
(c) Fee for Quarterly Limited Review	0.11	-
(d) Certification Fees	0.05	0.03
(e) Travelling & Out of Pocket Expenses:		
- Travelling Expenses	0.06	0.04
- Out of Pocket Expenses	0.09	0.08
<b>Total</b>	<b>0.86</b>	<b>0.71</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 23. Employee Remuneration and Benefits

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019			For the year ended 31st March 2018		
		Project Expenses	Other Expenses	Total	Project Expenses	Other Expenses	Total
Salaries, Wages and Bonus	(i)	164.21	55.35	219.56	139.33	47.21	186.54
Contribution to Provident and Other Funds		9.16	3.62	12.78	8.55	3.72	12.27
Foreign Service Contribution		1.70	0.23	1.93	1.14	1.23	2.37
Retirement Benefits		16.79	10.84	27.63	13.72	24.44	38.16
Staff Welfare		1.37	0.30	1.67	1.13	0.64	1.77
<b>Total</b>		<b>193.23</b>	<b>70.34</b>	<b>263.57</b>	<b>163.87</b>	<b>77.24</b>	<b>241.11</b>

**Foot Notes:-**

 (i) Includes income-tax on non-monetary perks **Rs. 0.56 crore** (As at 31st March 2018 : Rs. 0.22 crore).

### 24. Finance Costs

(₹ in crore)

Particulars	Foot Note	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Expense	(i)	281.44	3.20
Less: Interest on Advance to Rail Land Development Authority (RLDA)		<u>(278.36)</u>	<u>(3.08)</u>
Other Borrowing Cost			
- Bank Guarantee & Other Charges		8.97	6.35
Interest on Unwinding of Financial Instruments (Refer Note No. 56)		0.01	49.20
Amortisation of Financial Instruments (Refer Note No. 56)		0.39	7.61
Unwinding of Discount on Provisions		2.08	1.81
<b>Total</b>		<b>14.53</b>	<b>65.09</b>

**Foot Notes:-**

 (i) Includes interest on income-tax **Rs. 1.51 crore** (As at 31st March 2018 : Rs. 0.003 crore).

### 25. Depreciation, Amortisation and Impairment

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Property, Plant and Equipment	12.69	13.99
Intangible Assets	38.88	2.38
Investment Property	0.04	0.05
Impairment of Assets	-	-
<b>Total</b>	<b>51.61</b>	<b>16.42</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 26. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

( ₹ in crore)

Particulars	Remeasurement Gain/(Loss) on Defined Benefit Plans (Presented in Retained Earning)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Remeasurement Gain/(Loss) on Defined Benefit Plans	1.97	(2.75)
Income Tax relating to Items that will not be reclassified to profit or loss	(0.69)	0.95
<b>Total</b>	<b>1.28</b>	<b>(1.80)</b>

( ₹ in crore)

Particulars	Foreign Currency Translation	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Foreign Exchange Translation Differences	(13.94)	4.86
Income Tax relating to Items that will be reclassified to profit or loss	4.87	(1.68)
<b>Total</b>	<b>(9.07)</b>	<b>3.18</b>
<b>Grand Total</b>	<b>(7.79)</b>	<b>1.38</b>

### 27. Prior Period Errors

#### Impact on equity (increase/(decrease))

( ₹ in crore)

Particulars	As at 31st March 2018	On & Before 31st March 2017
Trade Payable Current	(0.18)	-
Other Current Financial Liabilities	4.56	2.43
Cash & Cash Equivalents	0.06	-
Current Tax Assets	0.04	-
Other Current Financial Assets	(0.88)	-
Trade Receivables	(6.56)	-
<b>Net Impact on Equity (Decrease)</b>	<b>(2.96)</b>	<b>2.43</b>

#### Impact on Consolidated Statement of Profit And Loss (increase/(decrease))

( ₹ in crore)

Particulars	31st March 2018	On & Before 31st March 2017
Revenue from Operations	(5.74)	-
Other Income	3.86	-
Project Expenses	(0.18)	-
Employee Remuneration and Benefits - Other Expenses	(0.88)	-
Other Expenses	(0.02)	-
<b>Attributable to Equity Holders</b>	<b>(2.96)</b>	<b>-</b>

#### Impact on basic and diluted earnings per share (EPS) (increase/(decrease))

( ₹ in crore)

Particulars	31st March 2018	On & Before 31st March 2017
<b>Earnings per share for continuing operation</b>		
Basic, profit from continuing operations attributable to equity holders	(0.30)	-
Diluted, profit from continuing operations attributable to equity holders	(0.30)	-

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

28.

**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, 2019 are as follows: \*

( ₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss (FVTPL)</b>				
Investment in Mutual Funds	99.72	99.72	-	-
<b>Total</b>	<b>99.72</b>	<b>99.72</b>	-	-
<b>Financial Assets at Amortized Cost</b>				
(i) Investments				
Investments in Joint Venture**	417.43	-	-	-
Investments in Tax Free Bonds (including accrued interest)	309.23	-	-	-
(ii) Loans	41.40	-	-	-
(iii) Trade Receivables	666.04	-	-	-
(iv) Cash and Cash Equivalents	892.12	-	-	-
(v) Other Bank Balances	2,191.83	-	-	-
(vi) Other Financial Assets***	4,568.94	-	-	-
<b>Total</b>	<b>9,086.99</b>	-	-	-

( ₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	2,560.00	-	-	-
(ii) Trade Payables	565.49	-	-	-
(iii) Other Financial Liabilities***	2,647.45	-	-	-
<b>Total</b>	<b>5,772.94</b>	-	-	-

b) The carrying values and fair values of financial instruments by categories as at 31<sup>st</sup> March, 2018 are as follows: \*

( ₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Fair Value Through Profit and Loss (FVTPL)</b>				
Investment in Mutual Funds	216.17	216.17	-	-
<b>Total</b>	<b>216.17</b>	<b>216.17</b>	-	-
<b>Financial Assets at Amortized Cost</b>				
(i) Investments	-	-	-	-
Investments in Joint Venture**	276.42	-	-	-
Investments in Tax Free Bonds (including accrued interest)	309.23	-	-	-
(ii) Loans	41.58	-	-	-
(iii) Trade Receivables	675.22	-	-	-
(iv) Cash and Cash Equivalents	1,554.11	-	-	-
(v) Other Bank Balances	3,136.49	-	-	-
(vi) Other Financial Assets***	3,573.66	-	-	-
<b>Total</b>	<b>9,566.71</b>	-	-	-

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

( ₹ in crore)

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortized Cost</b>				
(i) Borrowings	3,200.00	-	-	-
(ii) Trade Payables	510.79	-	-	-
(iii) Other Financial Liabilities***	1,502.66	-	-	-
<b>Total</b>	<b>5,213.45</b>	-	-	-

The fair values of the financial assets and financial liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the financial year 2017-18. 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) The carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements are at reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
  - iii) The carrying amounts of current financial assets and current financial liabilities approximate their fair value mainly due to their short term nature.
- \* During the financial year 2018-19 and 2017-18, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.
- \*\* Investment in Joint Venture are measured at cost.
- \*\*\* Other financial assets and other financial liabilities includes certain items which are recognized at transaction price, as the effect of measuring these at fair value is immaterial.

### 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, 2019 and March 31, 2018, every 1% increase or decrease of the respective foreign currency would impact our profit before tax by approximately Rs. 1.41 crore and Rs. 0.70 crore respectively.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The Group manages its interest risk in accordance with the group's policies and risk objective. Financial instruments affected by interest rate risk includes tax free bonds and deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments. Also, the Group does not have any interest risk on loans / borrowings as it bears fixed rate of interest.

#### b) Credit Risk

The Group's customer profile include Ministry of Railways, Public Sector Enterprises, State Owned Companies in India and abroad. Accordingly, the Group's customer credit risk is low. The Group's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank / corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

##### Trade and other receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

The following table gives details in respect of revenues generated from top five projects.

( ₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from top 5 Projects	2,180.23	1,555.20
	<b>2,180.23</b>	<b>1,555.20</b>

### Exposure to Credit Risk

( ₹ in crore)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)</b>		
Non Current Investments	726.66	585.62
Non Current Loans	39.51	39.67
Other Non Current Financial Assets	2,845.44	2,736.67
Current Investments	99.72	216.17
Cash and Cash Equivalents	892.12	1,554.11
Other Bank Balances	2,191.83	3,136.49
Current Loans	1.89	1.91
Other Current Financial Assets	1,335.10	472.41
<b>Financial Assets for which allowance is measured using Simplified Approach</b>		
Trade Receivables	693.32	701.93
Contract Assets	400.60	378.25

### Summary of change in loss allowances measured using Simplified approach

( ₹ in crore)

Particulars	31st March 2019	31st March 2018
<b>Opening Allowances</b>	<b>26.72</b>	<b>20.85</b>
Provided during the year	0.83	6.65
Utilization during the year	(0.27)	-
Amount written-off	-	(0.78)
<b>Closing Allowances</b>	<b>27.28</b>	<b>26.72</b>

During the year, the Group has recognised loss allowance of **Rs. 0.83 crore** (31 March, 2018 : Rs. 6.65 crore).

### Summary of change in loss allowances measured using Lifetime Expected Credit Losses (LECL) approach

( ₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Opening Allowances</b>	<b>13.64</b>	<b>13.64</b>
Provided during the year	0.69	0.51
Utilization during the year	(0.27)	-
Amount written-off	(1.86)	(0.53)
(Exchange Gain) / Loss	-	0.02
<b>Closing Allowances</b>	<b>12.20</b>	<b>13.64</b>

No significant changes in estimation techniques or assumptions were made during the reporting period. During the year, the Group has recognised loss allowance of **Rs.0.69 crore** (31<sup>st</sup> March, 2018 : Rs. 0.51 crore).

### c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. The treasury department regularly monitors the position of Cash and Cash Equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The senior Management of the Group oversees its investment strategy and achieve its investment objectives. The Group typically invests in government of India debt bonds and mutual funds. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss. The NHAI bonds bear a fixed rate of interest thus they are not affected by the change in bond yield rates and the mutual funds are highly liquid assets which are paid out monthly and re-invested.

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

The table below provides details regarding the significant financial liabilities as at 31 March 2019 and 31 March 2018

( ₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2019		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	640.00	1,920.00
Trade payables	565.49	-	-
Other financial liabilities	2,302.31	345.14	-

( ₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2018		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	-	640.00	2,560.00
Trade payables	510.33	0.46	-
Other financial liabilities	1,112.70	389.96	-

#### 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.

#### C. Capital Management

The Group objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Group can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Group has paid dividend as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows :-

#### Dividends :-

( ₹ in crore)

Particulars	During the year ended 31 <sup>st</sup> March, 2019	During the year ended 31 <sup>st</sup> March, 2018
Dividend Paid	198.07	192.40
<b>Total</b>	<b>198.07</b>	<b>192.40</b>

Further, the Group manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Consequent upon Govt. of India decision to disinvest 99,05,157 number of shares of the Holding Company, shares of the holding company were listed on NSE and BSE on 28th September, 2018 and the proceeds have been realized by Govt. of India.

Loan raised by the Group from IRFC during the year which in turn has been given to RLDA will be repaid from the amount received from RLDA.

#### Debt Equity Ratio :-

( ₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Borrowings (Note No. 15.1)	2,560.00	3,200.00
<b>Long Term Debt</b>	<b>2,560.00</b>	<b>3,200.00</b>
Equity (Note No. 13)	94.05	94.05
Other Equity (Note No. 14)	3,870.17	3,667.18
<b>Total Equity</b>	<b>3,964.22</b>	<b>3,761.23</b>
<b>Debt Equity Ratio</b>	<b>0.65</b>	<b>0.85</b>

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

29. 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:

Name of Subsidiary/Joint Ventures	Country of Origin	% age Share	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Subsidiaries;</b>			
1. Ircon Infrastructure and Services Limited (IISL)	India	100.00%	100.00%
2. Ircon PB Tollway Limited (IPBTL)	India	100.00%	100.00%
3. Ircon Shivpuri Guna Tollway Limited (ISGTL)	India	100.00%	100.00%
4. Ircon Davanagere Haveri Highway Limited (IDHHL)	India	100.00%	100.00%
5. Ircon Vadodara Kim Expressway Limited (IVKEL)	India	100.00%	-
<b>Joint Ventures:</b>			
1. Ircon-Soma Tollway Private Limited (ISTPL)	India	50.00%	50.00%
2. Chattisgarh East Railway Limited (CERL)	India	26.00%	26.00%
3. Chattisgarh East-West Railway Limited (CEWRL)	India	26.00%	26.00%
4. Mahanadi Coal Rail Limited (MCRL)	India	26.00%	26.00%
5. Jharkhand Central Railway Limited (JCRL)	India	26.00%	26.00%
6. Baster Railway Pvt. Ltd. (BRPL)	India	26.00%	26.00%
7. Indian Railway Station Development Limited (IRSDC)	India	50.00%	50.00%

- b) The financial statements of the entities used for the purpose of consolidation have the same reporting date as that of the Company.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements. The differences in accounting policies, if any, of the Holding Company and its Joint Ventures are not material.

### 30. Contingent liabilities and Contingent Assets:

#### (I) Contingent Liabilities:

##### (a) Claims against the Group not acknowledge as debt;

- i. **Rs. 493.73 crore** (Rs. 421.08 crore) net of provision of **Rs. 66.12 crore** (Rs.69.38 crore.). Against this the Group has counter claims of **Rs.185.79 crore** (Rs. 258.41 crore). Interest on claims is not considered, being unascertainable.
- ii. 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.
- iii. **Rs. 252.53 crore** (Rs. 307.62 crore) relating to Direct tax which includes **Rs. 229.21 crore** (Rs. 197.23 crore) on account of appeal filed by Income tax department before Income Tax appellate tribunal (ITAT) & High Court against order passed by Commissioner of Income tax (Appeals) & ITAT in favour of Group.
- iv. Indirect tax disputed demands under appeal **Rs. 357.81 crore** (Rs.327.51 crore) of which **Rs. 110.44 crore** (Rs. 110.44 crore) has been reimbursed by the client and **Rs. 167.82 crore** (Rs. 43.89 crore) are reimbursable from the clients.

Movement in respect of claims/demand at S. No. (i), (iii) and (iv) are as under:

( ₹ in crore)

S. No.	Particulars	Balance as at 31st March 2018	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31st March 2019
(i)	Claims against Group (net of provision made)	421.08	64.18	136.83	493.73
(ii)	Demand relating to Direct Tax	307.63	63.14	8.04	252.53
(iii)	Indirect tax disputed demands under appeal	327.51	1.41	31.71	357.81
	<b>Total</b>	<b>1,056.14</b>	<b>128.73</b>	<b>237.36</b>	<b>1,104.07</b>



## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### (b) Guarantees excluding financial guarantee

#### In respect of Joint arrangements/ Others:

- i. Sales-tax liability of International Metro Civil Contractor of **Rs.4.25 crore** (Rs. 4.25 crore) and Service Tax **Nil** (Rs. 1.01 crore).
- ii. Bank guarantee in case of Ircon-RCS-PFLEIDERER of **Rs.1.40 crore** (Rs. 1.40 crore).
- iii. Income Tax liability in the case of Metro Tunnelling Group of **Rs.0.01 crore** (Rs.0.01 crore). Regular assessment for FY 2010-11, 2012-13 & 2013-14 has resulted in a demand of **Rs.0.24 crore** as on 31.03.2019. The JV is disputing the assessment and has filed appeals against the orders.
- iv. Recovery suit against the International Metro Civil Contractor by M/s Sai Engineers is **Rs.0.02 crore** (Rs. 0.02 crore).
- v. Bank Guarantee in case of Ircon - Afcon JV for **Nil** (Rs.14.28 crore) for Bhairab Railway Bridge Project, Bangladesh.
- vi. Bank Guarantee in case of Ircon Infrastructure & Services Limited (IISL) for **Rs. 4.02 crore** (Rs. 4.02 crore)

### (c) Other money for which Group is contingent liable:

( ₹ in crore)

S. No.	Particulars	Balance as at 31st March 2018	Reduction during the year in respect of opening balance	Addition during the year	Balance as at 31st March 2019
(i)	Liquidated damages pending disposal of application for extension of time by clients	9.67	0.40	Nil	9.27

### (II) Contingent Assets:

- i) 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 **Rs.398.57 crore** (Rs.178.79 crore) including interest calculated up to 31.03.2019 as per arbitration award.
- ii) 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 **Rs.19.96 crore** (Rs. 13.80 crore).
- iii) Insurance Claim of **USD 0.86 Mn** (USD 0.84 Mn) and Ethiopian **Birr 1.05 Mn** (ETB 1.00 Mn) equivalent to **Rs.6.14 crore** (Rs. 5.66 crore) including interest calculated up to 31.03.2019 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) In one of the projects under Mumbai Region Claims made by company on JV company, ISTPL amounting to **Rs 84.52 crore** raised in 2011 on account of Royalty, maintenance, idle plant and machinery and other compensations. An amount of **Rs 45.00 crore** has been received as advance pending settlement of claim.

### 31. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is **Rs. 1,159.89 crore** (Rs. 733.70 crore).

#### b) Other Commitments:

Commitments for fund/providing guarantee to/on behalf of joint arrangements:

- i) For subscribing towards balance share of equity of **Rs.61.71 crore** (Rs. 76.82 crore) to joint venture company.
  - ii) For release of balance shareholder's loan of **Nil** (Rs. 169.00 crore) to joint venture company.
  - iii) Counter guarantee to State bank of India for issuance of letter of credit to Joint operation, Ircon Afcons JV, amounting to **Nil** (Rs. 30.93 crore).
  - iv) In case of Ircon Vadodara Kim Expressway Limited, estimated amount of contracts remaining to be accounted for, on other commitments is **Rs.1,864 crore**.
  - v) In case of Ircon Shivpuri Guna Tollway Limited, as per concession agreement with NHAI, the group is liable to pay a premium in form of an additional concession fees equal to **Rs 20.19 crore** annually to be increased by 5% as compared to the immediately preceding year for a balance period of 16.5 years.
32. There are certain claims against the Group not acknowledged as debt **Rs.2,018.05 crore** (Rs. 1,098.26 crore) net of provisions of **Rs. 1.13 crore** (Rs. 1.13 crore). In case, such claims against the Group do materialize, it will be reimbursable from the clients. Against this the Group has counter claims of **Rs.1,474.28 crore** (Rs. 1,062.59 crore). Interest on claims not considered, being unascertainable but would also be reimbursable.
  33. The Holding Company is liable to pay **Nil** (Rs.0.04 crore) on account of taxes on construction profits of Sri Lanka projects which shall be directly reimbursed by Sri Lankan Railway to Sri Lankan Inland Revenue Department. Therefore, the same has not been provided in the books of accounts.
  34. (a) The company has made a provision for tax without considering the deduction under section 80IA of Income Tax Act 1961. For the period commencing from AY 2000-01 to 2018-19, deduction u/s 80-IA was allowed to company by CIT (A) for six different years (AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 and 2014-15) and for AY 2000-2001 it was allowed by

## Notes to Consolidated Financial Statement for the financial

year March 31, 2019

ITAT. Out of these years company is still carrying provision for deduction u/s 80-IA for the AY 2004-05, 2005-06, 2007-08, 2012-13, 2013-14 having conservative approach, considering appeals filed by department against company for these years. However, AY 2014-15 onwards, after allowance of deduction u/s 80-IA by CIT (A) company writes back provision made against deduction u/s 80-IA

- b) The Group is offering global income for tax in India after excluding the income in accordance with DTAA agreements where income earned from foreign country are excluded from global income offered for taxation. The company was allowed exclusion method up to AY 2005-06, thereafter credit against taxes paid in foreign countries have been allowed from taxes computed on global income by department. After paying the due tax the issue has been contested by filing appeals which are pending for disposal before ITAT.
35. (a) The Holding Company had 25% equity stake in Comphanhia Dos Caminhos De Ferro Da Beira SARL Mozambique (CCFB), a Joint Venture Company incorporated as per Mozambican laws in the year 2004 to execute a railway project awarded by the Government of Mozambique (GOM) on BOT basis and had paid USD 1.25 Mn (**Rs. 5.53 crore**). Other shareholders were RITES & CFM, Mozambique with 26% & 49% share respectively.
- (b) On 8th December 2011, Government of Mozambique (GoM) unilaterally terminated the concession agreement and took over the project which in the opinion of company was unlawful and against the provision of agreement. Consequently, CCFB initiated arbitration against the said decision of GoM. Dispute has now been amicably settled with Government of Mozambique on 21st October 2015 through settlement agreement. As per the settlement agreement, the holding company will get in installments an amount of USD 40.31 Million and out of this 34.72 Mn USD (equivalent to INR 236.25 crore) was received up to October 2018. Balance installment of Rs 5.595 Mn is due on 18.10.2019 which will be received through the confirmed Letter of Credit opened by Government of Mozambique.
36. (a) Some of the balances shown under debtors, advances and creditors are subject to confirmation / reconciliation/ adjustment, if any. The Group has been sending letters for confirmation to parties. However, the Group does not expect any material dispute w.r.t. the recoverability/ payment of the same.
- (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.
37. (a) **Foreign exchange recognised statement of profit and loss:**

( ₹ in crore)

Particulars	2018-19	2017-18
i) Profit or (loss) (except those recognised as financial instrument and measured at fair value)	(2.33)	1.37
ii) Other Comprehensive Income	(13.94)	4.86
<b>TOTAL</b>	<b>(16.27)</b>	<b>6.23</b>

(b) **Disclosure of unhedged foreign currency exposure**

The unhedged foreign currency exposure is as under:

( ₹ in crore)

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Foreign Currency (in crore)	INR (in crore)	Foreign Currency (in crore)	INR (in crore)
<b>Assets :</b>					
<b>Advance to Contractors</b>					
	DZD	0.43	0.25	0.07	0.04
	ZAR	0.32	1.53	0.87	4.85
	BDT	13.36	11.03	0.48	0.37
	ETB	-	-	0.02	0.05
	NPR	-	-	1.37	0.86
<b>Trade Receivables</b>					
	BDT	-	-	29.97	23.25
	DZD	39.66	23.00	32.85	18.81
	Euro	0.27	20.75	1.68	130.29
	MYR	0.01	0.09	0.20	3.37
	ZAR	-	-	0.70	3.90
	USD	1.62	111.35	0.31	20.18
	JYP	113.37	73.09	-	-

**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

(₹ in crore)

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Foreign Currency (in crore)	INR (in crore)	Foreign Currency (in crore)	INR (in crore)
<b>Cash &amp; Bank Balances</b>					
	BDT	2.35	1.93	2.70	2.08
	DZD	111.19	64.49	116.24	62.84
	ETB	-	-	-	0.01
	Euro	0.13	9.81	0.17	11.79
	LKR	2.98	1.17	2.97	1.24
	MYR	0.53	9.04	0.43	7.30
	ZAR	3.85	18.36	7.02	39.17
	USD	0.57	39.30	0.66	42.28
<b>Other Assets</b>					
	DZD	50.12	29.38	0.90	0.51
	ETB	-	-	0.07	0.18
	MZN	-	-	0.06	0.06
	Euro	0.01	1.03	0.32	25.70
	LKR	0.23	0.09	0.22	0.09
	MYR	0.03	0.49	0.04	0.68
	BDT	65.18	53.62	0.12	0.09
	ZAR	2.79	13.31	4.70	26.24
	USD	0.11	7.38	1.77	114.92
	NPR	-	-	2.63	1.65
<b>Liabilities :</b>					
<b>Advance from Client</b>					
	BDT	-	-	109.71	85.11
	MYR	0.04	0.63	-	-
	USD	1.24	86.70	-	-
<b>Trade Payable</b>					
	BDT	13.26	10.90	0.14	0.10
	DZD	27.32	15.85	13.26	7.59
	Euro	0.70	14.87	0.54	42.47
	JPY	39.43	24.62	0.05	0.03
	LKR	0.03	0.01	-	-
	MYR	0.04	0.73	0.02	0.36
	ZAR	0.61	2.91	1.56	8.73
	USD	0.82	57.31	1.18	77.80
<b>Other Liabilities</b>					
	BDT	45.13	37.12	3.51	2.72
	DZD	63.73	37.03	4.85	2.77
	ETB	-	-	1.36	3.23
	Euro	0.06	4.49	0.12	9.96
	LKR	1.51	0.59	-	-
	MYR	0.13	2.14	0.11	1.89
	ZAR	6.62	31.58	16.89	94.22
	USD	0.31	21.18	1.18	134.80
	NPR	-	-	2.06	1.29

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

The unhedged foreign currency exposures are naturally hedged.

DZD- Algerian Dinar, ZAR-South African Rand, LKR-Sri Lankan Rupee, ETB-Ethiopian Birr, MYR-Malaysian Ringgit, NPR-Nepalese Rupee, MZN-Mozambican Metical, BTN-Bhutanese Ngultrum, BDT-Bangladeshi Taka, AUD-Australian Dollar, JPY-Japanese Yen

### 38. Disclosure regarding Leases:

#### I. Assets taken on operating lease:

The Group's leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses and transit camps. Most of the leasing arrangements are cancellable and are usually renewable on mutually agreed terms. The amounts of lease payments during the year are as under:

- (a) Lease payments (net of recoveries) in respect of premises for residential use of employees **Rs. 3.31 crore** (Rs.3.55 crore) (included in salaries & wages note 23).
- (b) Lease payments in respect of office premises, guesthouses and transit camps – **Rs. 7.69 crore** (Rs. 6.66 crore) (included in Project Expenses and Other Expenses note 22 (iii)).

#### II. Assets given on operating lease:

- (a) The Group has given certain commercial/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements.
- (b) The Group has sub-leased 23 Multi-Functional Complexes to various sub-lessees up to 31.03.2019. Out of which, sub-lease agreement of 5 MFC's has been terminated.
- (c) The amount of lease rent received during the year is as under:
  1. Lease rent in respect of non-residential premises – **Rs. 8.20 crore** (Rs. 7.89 crore) (included in miscellaneous income note 21)
  2. Lease rent in respect of sub-leasing of 23 MFCs - **Rs. 17.79 crore** (Rs. 14.83 crore) (included in MFC lease note 20).
  3. Lease rent in respect of Plant and Machinery **Rs. 11.41 crore** (Rs. 5.50 crore)
- (d) Future minimum lease rental receivable as on 31.03.2019 in respect of non – cancellable operating lease for each of the following period is as under:

( ₹ in crore)

Lease Rent Receivable	As at 31st March 2019	As at 31st March 2018
Within One year		
- Premises	0.39	0.37
- Locomotives	NIL	NIL
- Multi-Functional Complexes (MFCs)	16.16	18.34
After one year but not more than five years		
- Premises	2.27	2.16
- Locomotives	NIL	NIL
- Multi-Functional Complexes (MFCs)	94.57	104.89
More than five years		
- Premises	0.43	0.93
- Locomotives	NIL	NIL
- Multi-Functional Complexes (MFCs)	636.15	762.81

- (e) Details of assets given on lease during the year:

( ₹ in crore)

Particulars	As at 31st March 2019			As at 31st March 2018		
	Premises	Plant and Machinery	MFCs	Premises	Plant and Machinery	MFCs
Gross Carrying amount of assets	3.51	6.45	88.79	3.51	6.42	75.45
Depreciation for the year	0.06	0.28	1.47	0.06	0.59	2.05
Impairment loss for the year	-	-	-	-	-	-
Accumulated Depreciation	0.52	3.12	8.55	0.47	2.83	5.97

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### 39. Segment Reporting:

#### A. General Information:

- (i) The Group has determined reportable operating segments from geographical perspective.
- (ii) The Group's source of risk and rewards are derived from the units spread across the globe and hence, International projects and Domestic projects are considered as individual operating segments.
- (iii) The operating segments have been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).
- (iv) These operating segments are monitored by Group's Chief Operating Decision Maker (CODM) and strategic decisions are made on the basis of segments results. Segment performance is evaluated based on the profit of each segment.

#### B. Information about reportable segments and reconciliation to amounts reflected in the financial statements:

(₹ in crore)

Particulars	International		Domestic		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>A. Turnover</b>						
Revenue from External Customers	587.42	588.49	4,204.15	3,409.39	4,791.57	3,997.88
Company share of turnover in Integrated Joint operations	5.36	26.09	1.50	0.25	6.86	26.34
Interest Income	5.61	6.02	136.15	139.71	141.76	145.73
Other Income	13.51	15.36	35.91	27.92	49.42	43.28
Inter-segment	-	-	-	-	-	-
<b>Total Revenue</b>	<b>611.90</b>	<b>635.96</b>	<b>4,377.71</b>	<b>3,577.27</b>	<b>4,989.61</b>	<b>4,213.23</b>
<b>B. Result</b>						
Profit before Provision, Depreciation, Interest, Exceptional items and Tax.	36.50	23.62	783.54	538.74	819.96	562.36
<b>Less:</b> Provision & write backs ( Net)	(7.48)	(44.46)	148.48	34.86	141	(9.60)
Depreciation, amortization and impairment	4.16	4.12	47.45	12.29	51.61	16.41
Interest	-	-	3.09	-	3.09	0.11
Exceptional item	-	-	-	-	-	-
Share in Profit/(Loss) of Joint Ventures	-	-	21.54	5.16	21.54	5.16
<b>Profit Before Tax</b>	<b>39.82</b>	<b>63.96</b>	<b>584.44</b>	<b>491.48</b>	<b>624.26</b>	<b>555.44</b>
Tax Expense	19.80	27.15	154.39	119.63	174.19	146.78
<b>Profit After Tax</b>	<b>20.01</b>	<b>36.81</b>	<b>430.06</b>	<b>371.85</b>	<b>450.07</b>	<b>408.66</b>

#### C. Other Information

(₹ in crore)

Particulars	International		Domestic		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Assets	601.44	604.06	12,717.43	12,166.81	13,318.87	12,770.87
Liabilities	613.76	465.74	8,740.89	8,543.90	9,354.65	9,009.64
Investment in Joint Ventures accounted for by the equity method	-	-	417.43	276.43	417.43	276.43
Non-Current Assets Other than financial instruments, deferred tax assets, net defined benefit assets	32.33	30.74	2,075.97	1,649.14	2,108.30	1,679.88
Capital Expenditure (Addition to PPE, CWIP, Investment Property, Other Intangible Assets and Intangible assets under development)	0.77	3.07	1,805.60	718.06	1,806.37	721.13

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

**D. Information about major Customers:**

During the year ended March 31, 2019, Operating Revenue of approximately **67.45 %** (48.62%) derived from single external customers in Domestic Segment.

**40. Interest in other Entities**
**Disclosure in respect of Joint arrangements**

(a) Unincorporated Joint operations:

i) For projects in operation:

( ₹ in crore)

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at 31st March	
				2018-19	2017-18
1.	IRCON-AFCONS	Bangladesh	Ircon, India	53.00	53.00
			Afcons Infrastructure Ltd., India	47.00	47.00
2.	Express Freight Consortium	Gujrat, Maharashtra, India	Mitsui, Japan	51.00	51.00
			Ircon, India	30.00	30.00
			Tata Project Ltd., India	19.00	19.00
3.	Express Freight Railway Consortium	Maharashtra, India	Mitsui, Japan	51.00	51.00
			Ircon, India	30.00	30.00
			Tata Project Ltd., India	19.00	19.00

ii) For projects which have been completed:

( ₹ in crore)

S. No.	Name of the Joint operations	Principal place of Business	Partner(s) and Country of Origin	Participating Interest (in %) as at 31st March	
				2018-19	2017-18
1.	RICON	Delhi NCR, India	Ircon, India	49.00	49.00
			RITES, India	51.00	51.00
2.	Ircon-COBRA-ELIOP	Delhi NCR, India	Ircon, India	61.22	61.22
			COBRA, Spain	34.35	34.35
			ELIOP, Spain	4.43	4.43
3.	Ircon- Sree Bhawani Builders	Chennai, India	Ircon, India	24.21	24.21
			Sree Bhawani Builders, India	75.79	75.79
4.	Ircon-SMJ Project JV	Tamilnadu, India	Ircon, India	55.00	55.00
			Sumber Mitra Jaya, Indonesia	45.00	45.00
5.	International Metro Civil Contractor. (IMCC)	Delhi NCR, India	Dywidag, Germany	29.00	29.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Ircon, India	9.50	9.50
6.	Metro Tunnelling Group (MTG)	Delhi NCR, India	Dywidag, Germany	29.00	29.00
			Larsen & Tubro Ltd., India	26.00	26.00
			Samsung Corp., Korea	26.00	26.00
			Shimizu Corp., Japan	9.50	9.50
			Ircon, India	9.50	9.50
7.	Ircon-GANNON Dunkerly	Uttar Pradesh, India	Ircon, India	55.70	55.70
			GANNON Dunkerly	44.30	44.30
8.	Ircon-RCS-PFLEIDERER	J&K, India	Ircon, India	65.08	65.08
			Rayalseema Concrete Sleepers Pvt. Ltd, India	21.87	21.87
			Pfleiderer Infrastrukturtechnik GmbH & Co, Germany	13.05	13.05
9.	IRCON-SPSCPL	J&K, India	Ircon, India	50.00	50.00
			SPSCPL, India	50.00	50.00

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### (b) Joint-Venture Companies:

( ₹ in crore)

S. No.	Name of JV Company	Principal place of Business	Shareholders and country of origin	Percentage of Ownership	
				As at 31st March 2019	As at 31st March 2018
1.	Ircon-Soma Tollway Private Limited	Maharashtra, India	Ircon, India Soma Enterprise Limited, India	50.00 50.00	50.00 50.00
2.	Chattisgarh East Railway Limited	Chattisgarh, India	Ircon, India SECL, India CSIDC	26.00 64.00 10.00	26.00 64.00 10.00
3.	Chattisgarh East-West Railway Limited	Chattisgarh, India	Ircon, India SECL, India CSIDC	26.00 64.00 10.00	26.00 64.00 10.00
4.	Mahanadi Coal Rail Limited	Odisha, India	Ircon, India MCL, India GoO, India	26.00 64.00 10.00	26.00 64.00 10.00
5.	Jharkhand Central Railway Limited	Jharkhand, India	Ircon, India CCL, India GoJ, India	26.00 64.00 10.00	26.00 64.00 10.00
6.	Baster Railway Private Limited	Chattisgarh, India	Ircon, India NMDC, India SAIL, India CMDC, India	26.00 43.00 21.00 10.00	26.00 43.00 21.00 10.00
7.	Indian Railway Station Development Corporation Limited**	New Delhi, India	Ircon, India RLDA	50.00 50.00	50.00 50.00

\*\*Ministry of Railway vide letter dated 10.04.2017 has decided to transfer 1% equity to RLDA from Holding Company, thereby revising the ownership and non-controlling interest to 50:50.

(c) Contingent Liabilities of the Joint arrangements are disclosed in note 30 (I) (b).

#### 41. Related Party disclosures: Related party to be identified as per IND AS

##### a) Enterprises where control exists:

###### (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
- Indian Railway Station Development Corporation Limited till September 18, 2017

###### (ii) Joint arrangements: -

- Unincorporated Joint operations – As per Note no. 40 (a) above
- Joint Venture Companies – As per Note no. 40 (b) above.

##### b) Key management personnel:

Whole time Directors: - S/Shri S.K. Chaudhary, S/Shri M.K. Singh, S/Shri Deepak Sabhlok and S/Shri Yogesh Kumar Misra w.e.f. 28th December, 2018.

Directors (Official Government nominated): - S/Shri S.C. Jain w.e.f. 24th October, 2018, S/Shri Piyush Agarwal w.e.f. 17th December, 2018, S/Shri Ved Pal ceased to hold office w.e.f. 30th September, 2018 and S/Shri Rajiv Chaudhry ceased to hold office w.e.f. 20th September, 2018.

Independent Directors: - Dr. C.B Venkataramana, Dr. Narendra Singh Raina, S/Shri Ashok Kumar Ganju, S/Shri Sanjay Kumar Singh ceased to hold office w.e.f. 2nd July 2018, S/Shri Avineesh Matta ceased to hold office w.e.f. 31st March 2019 and Prof. Vasudha V. Kamat ceased to hold office w.e.f. 31st March 2019.

Company Secretary: - Smt. Ritu Arora.

## Notes to Consolidated Financial Statement for the financial

year March 31, 2019

(i) **Disclosure of transactions with related parties:**

( ₹ in crore)

Particulars	Transactions during the year ended on		Particulars of Contracts/ Arrangements
	31st March 2019	31st March 2018	Nature of Transaction
<b>1. Remuneration to key management personnel (b above) &amp; Sitting Fees to other Independent Directors</b>	As per Note No. 42		
<b>2. Purchase of Goods &amp; Services (including CSR expenses) /Lease of PPE/Any other transaction</b>			
<b>Joint Arrangements/ Joint Venture</b>			
IRCON AFCONS JV	-	0.46	Purchase of Equipment and Material
<b>Total</b>	<b>-</b>	<b>0.46</b>	
<b>3. Sale of Goods &amp; Services/Interest Income/ Any other transaction</b>			
<b>Joint Arrangements/ Joint Venture</b>			
Ircon-Soma Tollway Private Limited.	0.03	0.03	Rent for the Premises
Chhattisgarh East Railway Limited	379.01	189.85	Consultancy & works receipts
Chhattisgarh East Railway Limited	-	10.44	Interest on Loan
Chhattisgarh East-West Railway Limited	14.84	60.50	Consultancy receipts
Chhattisgarh East-West Railway Limited	4.87	3.08	Interest on Loan
Mahanadi Coal Rail Limited	14.83	6.66	Consultancy & work receipts
Baster Railway Private Limited	-	24.00	
Jharkhand Central Railway Limited	11.48	3.77	Consultancy & work receipts
Express Freight Consortium	224.85	-	Work receipts
Express Freight Railway Consortium	0.99	-	Work receipts
<b>Total</b>	<b>650.90</b>	<b>298.33</b>	
<b>4. Equity Investments in Joint Venture</b>			
<b>Joint Arrangements/ Joint Venture</b>			
Chhattisgarh East Railway Limited	39.00	-	Equity Investment
Baster Railway Private Limited	75.16		
Jharkhand Central Railway Limited	-	11.70	Equity Investment
Indian Railway Station Development Corporation Limited	5.80	20.00	Application money pending for Share Allotment
Indian Railway Station Development Corporation Limited	-	(0.40)	Disinvestment
<b>5. Loan To Joint Arrangements</b>			
<b>Joint Arrangements/ Joint Venture</b>			
Chhattisgarh East Railway Limited	-	26.00	Loan Disbursed
Chhattisgarh East Railway Limited	-	(143.00)	Repayment of loan
Chhattisgarh East-West Railway Limited	-	39.00	Loan Disbursed
Chhattisgarh East-West Railway Limited	-	(39.00)	Repayment of loan
<b>6. Reimbursement of deputation staff expenses, rent &amp; other misc. expenses (Income)</b>			
<b>Joint Arrangements/ Joint Venture</b>			
Indian Railway Station Development Corporation Limited	1.87	4.23	Rent and electricity during the year transaction
Ircon-Soma Tollway Private Limited	0.88	-	Reimbursement
Mahanadi Coal Rail Limited	0.55	0.28	Reimbursement



**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

(₹ in crore)

Particulars	Transactions during the year ended on		Particulars of Contracts/ Arrangements
	31st March 2019	31st March 2018	Nature of Transaction
<b>Trust</b>			
Ircon Gratuity Trust	7.25	7.77	Reimbursement
Ircon Gratuity Trust	4.01	14.34	Contribution to Trust
Ircon Employees Contributory PF Trust	28.27	34.12	Contribution to Trust
Ircon Pension Trust	10.91	8.84	Contribution to Trust
Ircon Medical Trust	8.32	-	Contribution to Trust
<b>Total</b>	<b>62.06</b>	<b>69.58</b>	

## (ii) Disclosure of amount due to/from related parties

(₹ in crore)

Particulars	Amount	
	As at 31st March 2019	As at 31st March 2018
<b>Amount Receivables</b>		
<b>(1) Loan outstanding to Joint Venture (Including interest accrued)</b>		
<b>Joint Arrangements/ Joint Venture</b>		
Chhattisgarh East-West Railway Limited	39.00	39.01
<b>(2) For Other Services, reimbursements etc.</b>		
<b>Joint Arrangements/ Joint Venture</b>		
Indian Railway Station Development Corporation Limited	0.96	0.71
Ircon-Soma Tollway Private Limited	7.63	7.23
Baster Railway Private Limited	16.80	28.32
Chhattisgarh East Railway Limited	56.16	36.31
Chhattisgarh East-West Railway Limited	6.61	54.72
Mahanadi Coal Rail Limited	1.04	0.58
Express Freight Corridor	7.89	0.18
Express Freight Railway Consortium	-	0.15
<b>Trust</b>		
Ircon Gratuity Trust	4.01	1.12
<b>Amount Payable</b>		
<b>1) For Other Services</b>		
<b>Joint Arrangements / Joint Venture</b>		
Ircon-Soma Tollway Private Limited	0.09	3.05
<b>2) Advance work receipts</b>		
<b>Joint Venture</b>		
Mahanadi Coal Rail Limited	-	8.87
Baster Railway Private Limited	-	9.78
<b>3) Advance Received</b>		
<b>Joint Arrangements/ Joint Venture</b>		
Jharkhand Central Railway Limited	-	0.62
Mahanadi Coal Rail Limited	5.82	-
Chhattisgarh East Railway Limited	70.84	-
Chhattisgarh East-West Railway Limited	32.05	-
Jharkhand Central Railway Limited	1.19	-
Ircon-Soma Tollway Private Limited	45.00	-
<b>Trusts</b>		
Gratuity Trust	2.92	13.47

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### d) Transaction with the Related Government entities

Apart from transactions reported above, the Group has transactions with related Government entities which includes but not limited to the following:

Name of Government: Ministry of Railways, Government of India (Significant control over Group)

Certain significant transactions & Closing balances:

#### Transactions during the year:

( ₹ in crore)

S.No.	Particulars	2018-19	2017-18
i)	Sales	2,410.74	1,733.28
ii)	Interest Passed on	125.81	166.61
iii)	Dividend Paid	198.07	191.87
iv)	Dividend Passed on	4.96	2.33

Note: Purchases are heterogeneous in nature, thus immaterial. Hence, not disclosed.

#### Closing balances:

( ₹ in crore)

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
i)	Receivable	83.38	89.51
ii)	Billable revenue/receivables not due	9.58	68.97
iii)	Claims recoverable	-	-
iv)	Advance Received	1,651.12	2,714.83
v)	Advance work receipts	1.08	1.58
vi)	Loan from IRFC under Ministry of Railways	3,076.53	3,200.00
vii)	Advance payment against lease to RLDA	3,107.32	2,580.00

## 42. Details of remuneration to Directors/Key Managerial Person:

( ₹ in crore)

Sr.	Particulars	2018-19	2017-18
I	Salary & allowances*	1.66	2.10
II	Contribution to provident fund, pension	0.28	0.18
III	Reimbursement of medical expenses	0.01	0.02
IV	Sitting fee	0.14	0.14
V	Other benefits	0.22	0.26
	<b>TOTAL</b>	<b>2.31</b>	<b>2.70</b>

Outstanding loan to Shri M K Singh as on 31.03.2019 is **Rs. 0.68 Lakhs** (Rs 1.16 Lakh).

\*Figures of 2018-19 include PRP of Rs. 0.22 crore paid during the year for the year FY 2016-17. Recovery as applicable has been made from Directors who have been provided with Company accommodation and car.

**43.** During the year, holding company has carried out assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable 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** (Rs. NIL crore) has been provided for."

## 44. Disclosure under Ind AS-19 on Employee benefits

### Provident Fund

The Group pays fixed contribution of Provident Fund at a pre-determined rate to a separate 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 amount available in the fund including the returns on investment is greater than the obligation of the Group. During the year, the Group has contributed **Rs. 11.83 crore** (Rs. 11.81 crore) to the trust.

### Gratuity

The Group has implemented IRCON Employees Group Gratuity Scheme to provide financial assistance to the employees of the

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

Holding 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 on 31.03.2019, a Liability of Rs. 4.01 crore (₹14.34 crore) has been booked in the books of accounts based on actuarial valuation.

### Pension

The Holding Company has implemented IRCON Defined Contribution Superannuation Pension Scheme, 2009 w.e.f. 01.04.2009, for all regular employees drawing pay in IDA scale who would complete 15 years of service in the Company (including service in other CPSEs) upto normal retirement date. 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 **Rs.8.09 crore** for the period from 01.04.2018 to 28.02.2019 has been paid and accounted for during the year 2018-19. Liability for the month of March 2019 of **Rs. 0.73 Crore** (₹0.77 crore) has been provided in the books of accounts.

### Post-Retirement Medical Facility (PRMF)

The Holding Company had established an irrevocable trust by initial one-time contribution of Rs 12 crore during the year 2000-01 for providing annuity, medical and other benefits to the spouse of employees who die in harness as also the medical benefits to the employees (and spouse) who superannuate from the Company. This being a voluntary welfare measure, the Company is not liable for providing such benefits to its employees. However, Holding Company has also kept provision of **Rs. 9.27 crore** (₹12.81 crore) based on the decision of management.

### Leave Encashment

The liability towards encashment of leave as per rules of the Holding Company is recognised on the basis of actuarial valuation except for employees posted in foreign projects. Since, the foreign assignments are treated as dies - non, liability for those employees is provided in the books on accrual basis as the amount is payable to employee on repatriation.

### Leave Travel Concession (LTC)

The company has made a provision in respect of leave travel concession (LTC) on the basis of actuarial valuation in accordance with IND AS-19.

### Other Retirement Benefits

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 31.03.2019 is as under:

#### (i) Service Cost

( ₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Service Cost	3.97 (3.72)	4.62 (4.03)	0.05 (0.01)	3.60 (3.45)
b)	Past Service Cost including curtailment Gains/Losses	-- (8.94)	-- (-)	-- (-)	-- (-)
c)	Gains or Losses on Non routine settlements	-- (-)	-- (-)	-- (-)	-- (-)
d)	Difference in HPL leave days balance in Opening	-- (-)	-- (-)	-- (-)	-- (-)
e)	<b>Total</b>	<b>3.97</b> <b>(-12.66)</b>	<b>4.62</b> <b>(4.03)</b>	<b>0.05</b> <b>(0.01)</b>	<b>3.60</b> <b>(3.45)</b>

\* Except employees posted on Foreign Projects

#### (ii) Net Interest Cost

( ₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Interest cost on Defined Benefit Obligation	6.15 (5.32)	4.28 (4.07)	0 (0.03)	7.28 (6.15)
b)	Interest Income on Plan Assets (Expected)	5.08 (5.38)	-- (-)	-- (-)	5.35 (5.03)
c)	Net Interest Cost (Income)	1.08 (-0.07)	4.28 (4.07)	0 (0.03)	1.93 (1.11)

\* Except employees posted on Foreign Projects

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### (iii) Changes in Present Benefit Obligation

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present value of obligation as at the beginning of the period	82.03 (70.88)	57.10 (54.24)	0.04 (0.33)	97.03 (81.95)
b)	Difference in HPL leave days balance in Opening	-- (-)	-- (-)	-- (-)	-- (-)
c)	Interest Cost	6.15 (5.32)	4.28 (4.07)	0 (0.03)	7.28 (6.15)
d)	Service Cost	3.97 (3.72)	4.62 (4.03)	0.05 (0.01)	3.57 (3.45)
e)	Past Service cost including curtailment Gains/Losses	-- (8.94)	-- (-)	-- (-)	-- (-)
f)	Benefits Paid	(7.25) (-9.24)	(6.10) (-8.97)	(0.01) (-0.02)	(2.24) (-1.82)
g)	Total Actuarial (Gain)/Loss on Obligation	(1.20) (2.41)	0.31 (3.73)	0.08 (-0.31)	(3.63) (7.30)
h)	Present Value of obligation as at the end of the period	83.70 (82.03)	60.20 (57.10)	0.15 (0.04)	102.00 (97.02)

\* Except employees posted on Foreign Projects.

### (iv) Actuarial (Gain)/Loss on Obligation

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Actuarial (Gain) Loss on arising from change in Demographic Assumption	-- (-)	-- (-)	-- (-)	-- (-)
b)	Actuarial (Gain)/Loss on arising from change in Financial Assumption	-- (-)	-- (-)	-- (-)	(0.49) (-)
c)	Actuarial (Gain) Loss on arising from Experience Adjustment	(1.20) (2.41)	0.31 (3.73)	0.08 (-0.31)	(7.13) (7.30)

\* Except employees posted on Foreign Projects

### (v) Actuarial (Gain)/Loss on Plan Asset

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Expected Interest Income	5.08 (5.38)	-- (-)	-- (-)	5.34 (5.03)
b)	Actual Income on Plan Asset	5.78 (5.16)	-- (-)	-- (-)	6.15 (4.87)
c)	LIC Mortality Charges	-- (-)	-- (-)	-- (-)	-- (-)
d)	Actuarial gain (loss) for the year on Asset	0.70 (-0.22)	-- (-)	-- (-)	0.80 (-0.16)

\* Except employees posted on Foreign Projects

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### (vi) Balance Sheet and related analysis

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Present Value of the obligation at end	83.70 (82.03)	60.21 (57.10)	0.15 (0.04)	102.47 (97.02)
b)	Fair Value of plan assets	79.69 (67.69)	-- (-)	-- (-)	83.52 (70.19)
c)	Unfunded Liability/provision in Balance Sheet	(4.01) (-14.34)	(60.21) (-57.10)	(0.15) (0.04)	(18.95) (-26.84)
d)	Unfunded liability recognized in Balance Sheet	-- (--)	-- (--)	-- (--)	(18.95) (-26.84)

\* Except employees posted on Foreign Projects

### (vii) The amounts recognized in the income statement

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	3.97 (12.66)	4.62 (4.03)	0.05 (0.01)	3.60 (3.45)
b)	Net Interest Cost	1.08 (-0.07)	4.28 (4.07)	0 (0.03)	1.93 (1.11)
c)	Net actuarial (gain)/ loss recognized in the period	-- (--)	0.31 (3.73)	-- (--)	-- (--)
d)	Actuarial gain/(loss) for the year on PBO	-- (--)	-- (--)	0.08 (-0.31)	-- (--)
e)	Expense recognized in the Income Statement	5.04 (12.60)	9.21 (11.83)	0.05 (-0.28)	5.53 (4.56)

\* Except employees posted on Foreign Projects

### (viii) Other Comprehensive Income (OCI)

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net Cumulative unrecognized actuarial gain/(loss) opening	-- (--)	-- (--)	-- (--)	-- (--)
b)	Actuarial gain/(loss) for the year on PBO	1.20 (-2.41)	-- (--)	-- (--)	3.18 (-7.30)
c)	Actuarial gain/(loss) for the year on Asset	0.70 (-0.22)	-- (--)	-- (--)	0.80 (-0.16)
d)	Unrecognized actuarial gain/(loss) at the end of the year	1.91 (-2.63)	-- (--)	(0.08) --	3.97** (-7.46)

\* Except employees posted on Foreign Projects

\*\* The unrecognized actuarial gain/loss (OCI) of **Rs. 3.82 crore** (Rs. -7.65 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 Statement for the financial year March 31, 2019

**(ix) Change in plan assets**

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Fair value of plan assets at the beginning of the period	67.69 (71.77)	-- (--)	-- (--)	70.19 (67.12)
b)	Actual Income on plan assets	5.83 (5.47)	-- (--)	-- (--)	6.15 (4.87)
c)	LIC Mortality Charges	(0.33) (-0.31)	-- (--)	-- (--)	-- (--)
d)	Employer contribution	13.47 (--)	-- (--)	-- (--)	8.32 (--)
e)	Benefits paid	(7.25) (-9.24)	-- (--)	-- (--)	(2.22) (-1.80)
f)	Fair value of plan assets at the end of the period	79.69 (67.69)	-- (--)	-- (--)	83.52 (70.19)

\* Except employees posted on Foreign Projects

**(x) Major categories of plan assets (as percentage of total plan assets)**

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Government of India Securities	-- (--)	-- (--)	-- (--)	-- (--)
b)	State Government securities	-- (--)	-- (--)	-- (--)	-- (--)
c)	High Quality Corporate Bonds	-- (--)	-- (--)	-- (--)	-- (--)
d)	Equity Shares of listed companies	-- (--)	-- (--)	-- (--)	-- (--)
e)	Property	-- (--)	-- (--)	-- (--)	-- (--)
f)	Funds Managed by Insurer	100% (100%)	-- (--)	-- (--)	100% (100%)
g)	Bank Balance	-- (--)	-- (--)	-- (--)	-- (--)
	<b>Total</b>	<b>100%</b> <b>(100%)</b>	<b>--</b> <b>(--)</b>	<b>--</b> <b>(--)</b>	<b>100%</b> <b>(100%)</b>

\* Except employees posted on Foreign Projects

**(xi) Change in Net Defined Benefit Obligation**

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Net defined benefit liability at the start of the period	14.34 (-0.88)	57.10 (54.24)	0.04 (0.33)	25.74 (14.83)
b)	Service Cost	3.97 (12.66)	4.62 (4.03)	0.05 (0.01)	3.60 (3.45)
c)	Net Interest Cost (Income)	1.08 (-0.07)	4.28 (4.07)	0 (0.03)	1.93 (1.11)
d)	Re-measurements	(1.91) (2.63)	0.31 (3.73)	0.08 (-0.31)	(3.97) (7.46)
e)	Contribution paid to the fund	(13.47) (--)	-- (--)	-- (--)	8.32 (--)
f)	Benefit paid directly by the enterprise	-- (--)	(6.10) (-8.97)	(0.01) (-0.02)	(0.02) (0.01)
g)	Net defined benefit liability at the end of the period	4.01 (14.34)	60.21 (57.10)	0.15 (0.04)	18.95 (26.84)

\* Except employees posted on Foreign Projects

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

### (xii) Bifurcation of PBO at the end of the year in current and non-current

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Current Liability ( Amount due within one year)	10.38 (8.70*)	5.45 (4.57)	0.01 (0.01)	2.17 (1.97)
b)	Non-current liability (Amount due over one Year)	73.32 (73.33)	54.76 (52.53)	0.14 (0.03)	100.31 (95.05)
	<b>Total PBO at the end of the year</b>	<b>83.70</b> <b>(82.03)</b>	<b>60.21</b> <b>(57.10)</b>	<b>0.15</b> <b>(0.04)</b>	<b>102.48</b> <b>(97.02)</b>

\* Except employees posted on Foreign Projects

### (xiii) Expected contribution for the next Annual reporting period

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
a)	Service Cost	4.70 (4.42)	5.25 (4.67)	-- (0.01)	4.02 (3.87)
b)	Net interest Cost	0.30 (1.07)	4.52 (4.28)	-- (--)	5.07 (5.05)
c)	Net actuarial (gain)/loss recognized in the period	-- (--)	-- (--)	-- (--)	-- (--)
d)	Expected Expense for the next annual reporting period	5.00 (5.49)	9.77 (8.96)	-- (0.01)	9.09 (8.92)

\* Except employees posted on Foreign Projects

### (xiv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

S. No.	Particulars	Gratuity	Leave Encashment*	LTC	Other Retirement Benefits
<b>a)</b>	<b>Impact of the change in discount rate</b>				
	Present value of obligation at the end of the period	83.70 (82.03)	60.21 (57.10)	0.15 (0.04)	102.48 (97.02)
i)	Impact due to increase of 0.50%	(2.32) (-2.35)	(2.27) (-2.17)	(0.00) (-)	(3.87) (-2.80)
ii)	Impact due to decrease of 0.50%	2.47 (2.50)	2.45 (2.34)	0.00 (-)	4.16 (2.97)
<b>b)</b>	<b>Impact of the change in salary increase</b>				
	Present value of obligation at the end of the period	83.70 (82.03)	60.21 (57.10)	-- (0.04)	1.28 (1.29)
i)	Impact due to increase of 0.50%	1.13 (1.24)	2.43 (2.32)	-- (-)	0.05 (0.05)
ii)	Impact due to decrease of 0.50%	(1.18) (-1.29)	(2.27) (-2.17)	-- (-)	(0.05) (-0.05)

(Previous year figures are shown under bracket () to differentiate from current year figures.)

Sensitivity due to mortality &amp; withdrawals are not material &amp; hence impact of change not calculated.

Sensitiveness as to rate of inflation, rate of pensions in payment, rate of increase of pensions before retirement &amp; life expectancy are not applicable being a lump sum benefit on retirement.

### (xv) Actuarial Assumptions

a.	Method used	Projected Unit Credit Method
b.	Discount rate	7.50 %
c.	Rate of increase in compensation levels	8.00 %
d.	Average outstanding service of employees up to retirement	13.19 to 14.19 years
e.	Estimated term of benefit obligations	10.77 to 11.30 years

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

**(xvi) Maturity Profile of Defined Benefit Obligation is as under:**

(₹ in crore)

Duration of defined benefit obligation Duration (years)	Period	Gratuity	Earned Leave	Other Retirement Benefits
1	2018-19	10.38	5.45	2.17
2	2019-20	17.07	6.06	5.47
3	2020-21	9.39	5.67	7.60
4	2021-22	7.44	5.66	6.58
5	2022-23	6.84	4.36	5.62
6	2023-24	6.88	4.20	5.56
6 Year onward	2025 Onward	43.20	28.81	74.45

**45. Disclosure under Ind AS-115 on Revenue from contracts with Customers\***
**(a) Disaggregation of Revenue**

Below is the disaggregation of the Company's revenue from contract with customers:

(₹ in crore)

Particulars	For the year ended 31st March, 2019					
	Railways	Highway	Electrical	Building	Others	Total
<b>Timing of satisfaction of performance obligation:</b>						
Over time	3,719.12	789.70	97.34	52.95	4.28	4,663.39
At a point in time	26.82	77.62	-	-	-	104.44
<b>Total</b>	<b>3,745.94</b>	<b>867.32</b>	<b>97.34</b>	<b>52.95</b>	<b>4.28</b>	<b>4,767.83</b>
<b>Method for measuring performance obligation:</b>						
Input method	3,719.12	867.32	97.34	52.95	4.28	4,741.01
Output method	26.82	-	-	-	-	26.82
<b>Total</b>	<b>3,745.94</b>	<b>867.32</b>	<b>97.34</b>	<b>52.95</b>	<b>4.28</b>	<b>4,767.83</b>
<b>Geographical markets:</b>						
Domestic	3,160.38	867.32	97.34	46.23	3.77	4,175.04
International	585.56	-	-	6.72	0.51	592.79
<b>Total</b>	<b>3,745.94</b>	<b>867.32</b>	<b>97.34</b>	<b>52.95</b>	<b>4.28</b>	<b>4,767.83</b>

(₹ in crore)

Particulars	For the year ended 31st March, 2018					
	Railways	Highway	Electrical	Building	Others	Total
<b>Timing of satisfaction of performance obligation:</b>						
<b>For the year ended March 31, 2018</b>						
Over time	2,872.64	943.39	89.33	63.64	7.89	3,976.89
At a point in time	25.81	-	-	-	-	25.81
<b>Total</b>	<b>2,898.45</b>	<b>943.39</b>	<b>89.33</b>	<b>63.64</b>	<b>7.89</b>	<b>4,002.70</b>
<b>Method for measuring performance obligation:</b>						
Input method	2,872.64	943.39	89.33	63.64	7.89	3,976.89
Output method	25.81	-	-	-	-	25.81
<b>Total</b>	<b>2,898.45</b>	<b>943.39</b>	<b>89.33</b>	<b>63.64</b>	<b>7.89</b>	<b>4,002.70</b>
<b>Geographical markets:</b>						
Domestic	2,297.41	943.39	89.33	50.67	7.41	3,388.21
International	601.04	-	-	12.97	0.48	614.49
<b>Total</b>	<b>2,898.45</b>	<b>943.39</b>	<b>89.33</b>	<b>63.64</b>	<b>7.89</b>	<b>4,002.70</b>



## Notes to Consolidated Financial Statement for the financial year March 31, 2019

- (b) The reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:  
Revenue from Segment Reporting is **Rs. 4,767.83 crore** (Rs.4,002.70 crore)
- (c) The Company has applied modified retrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is Nil on retained earnings as at April 1, 2018.
- (d) **Contract Balances:**

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables (Note 11.2)	666.04	675.22
Contract Assets (Note 11.6)	400.6	378.25
Contract Liabilities (Note 17 and 19)	2,859.68	3,194.64

- (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.

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contract Assets at the beginning of the year	378.25	391.11
Contract Assets at the end of the year	400.6	378.25

**For the year 2017-18**, there has been reduction by **Rs 12.86 Crore** as compared to last year is mainly due to realisation of contract assets on certification of works based on contract condition.

**For the year 2018-19**, there has been increase by **Rs 22.35 Crore** as compared to last year is due to recognition of revenue based on input method whereas bills for work done are certified based on contract condition.

- (iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer.

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contract Liabilities at the beginning of the year	<b>3,194.64</b>	3560.36
Contract Liabilities at the end of the year	<b>2,859.68</b>	3,194.64

**For the year 2017-18 and 2018-19** - There has been reduction of **Rs.365.82 Crore** and **Rs 334.96 Crore** as compared to last year are mainly due to adjustment of advance payment received from client against works executed during the year.

(e) **Revenue recognised in the period from:**

- (i) The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

(₹ in crore)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Advance from clients	<b>1,912.24</b>	1,662.68
Advance contract receipts	<b>155.27</b>	56.90

## Notes to Consolidated Financial Statement for the financial

year March 31, 2019

- (ii) There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

**(f) Unsatisfied long-term contracts**

The following table shows unsatisfied performance obligations resulting from long-term construction contracts: (₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Aggregate amount of the transaction price allocated to long-term construction contracts that are partially or fully unsatisfied as at 31st March	<b>31,646.08</b>	*

\*As permitted under the transitional provisions in Ind AS 115, the transaction price allocated to (partially) unsatisfied performance obligations as of March 31, 2018 is not disclosed.

Management expects that transaction price allocated to the unsatisfied contracts as of March 31, 2019 will be recognised as revenue in the future as follows:

(₹ in crore)

Particulars	As at 31st March, 2019**
In one year or less	5,550.00
More than one year to 2 years	5,891.00
More than 2 years	20,205.08
<b>Total</b>	<b>31,646.08</b>

\*\*The amount disclosed above does not include variable consideration which is constrained.

- (g) The group has applied Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 and has changed its accounting policy for the same. The application of the standard did not have any impact on the amounts recognised in prior periods.

### 46. Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under: -

(₹ in crore)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
a). the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	Nil	Nil
• Principal amount due to Micro, small and Medium Enterprises	18.95	5.67
• Interest due on above	Nil	Nil
b). the amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c). 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 Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d). the amount of interest accrued and remaining unpaid at the end of each accounting year;	Nil	Nil
e). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

- (i) Gross amount required to be spent on Corporate Social Responsibility (CSR) by the Group during the year is **Rs. 9.05 crore** (Rs. 7.87 crore).
- (ii) During the year, Group has spent **Rs 9.02 crore** (Rs 8.86 crore) as against required amount of **Rs. 9.05 crore** (Rs 7.87 crore) on Corporate Social Responsibility (CSR) activities. Break up of expenditure incurred is as follows;

(₹ in crore)

S.No.	Description	2018-19	2017-18
1.	Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	3.51	3.74
2.	Promoting Education, including special education and employment enhancing vocation skills especially among children.	2.44	3.10
3.	Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens.	-	-
4.	Ensuring environmental sustainability	2.39	1.88
5.	Rural Development Projects	0.00	0.14
6.	Sports	0.19	-
7.	Others (includes Admin Cost)	0.21	-
8.	Towards development of Educational infrastructure in Govt. Schools	0.12	-
9.	Employment Development Training Expenses	0.06	-
10.	Supply of Solar Panels and Computers in Schools	0.09	-
11.	Swach Bharat Kosh	0.01	-
	<b>TOTAL</b>	<b>9.02</b>	<b>8.86</b>

**(iii) Amount spent during the year**

(₹ in crore)

Sr. No	Description	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of asset	1.23	-	<b>1.23</b>
2.	Other purposes	7.79	-	<b>7.79</b>

\*Assets purchased and handed over to respective organisation and are not being held by the Company.

- (iv) CSR exp. yet to be incurred is **Rs. 0.03 crore** (Rs. NIL crore).

**48. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

(Amount in Rupees)

Particulars	31st March, 2019	31st March, 2018
Basic EPS		
From Continuing operations	47.85	41.83
From Discontinued operation	-	-
Diluted EPS*	47.85	41.83

\*Diluted EPS amounts are also same as basic EPS because company has no dilutive potential Equity shares.

The following reflects the income and share data used in the basic EPS computations:

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

(₹ in crore)

Particulars	31st March, 2019	31st March, 2018
Profit attributable to equity holders of the company used in calculating EPS:		
From Continuing operations	442.28	410.04
From Discontinued operation	-	-
<b>Profit attributable to equity holders for Basic Earnings Per Share</b>	<b>442.28</b>	<b>410.04</b>

The following reflects the weighted average number of shares used in calculating basic EPS

(Numbers of Shares)		
Particulars	31st March, 2019	31st March, 2018
Weighted average number of Equity shares for basic EPS*	9,40,51,574	9,76,97,259
Effect of dilution:		
Weighted average number of Equity shares adjusted for the effect of dilution*	9,40,51,574	9,76,97,259

\*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorization of these financial statements.

#### 49. Service Concession Arrangements (SCA)

Public to private service concession arrangements are recorded in accordance with

Appendix Service Concession Arrangements (Ind AS-115). Appendix C; is applicable if:

- a) The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- b) The grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, 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 entered into service concession arrangement with National Highway Authority of India (NHAI) for four laning of Shivpuri Guna Section and for four laning of Phalodi Bikaner Section in terms of which NHAI (the grantor) has authorized the group to develop, finance, design, engineer, procure, construct, operate and maintain the Projects and to exercise and/or enjoy the rights, powers, benefits, privileges authorizations and entitlements upon its completion. In terms of the said agreement group has an obligation to complete construction of the projects of four laning of Shivpuri Guna section and four laning of Phalodi Bikaner Section and to keep the project assets in proper working condition including all projects assets whose lives have expired. The Concession period shall be 20 years for Shivpuri Guna project and 26 years for Phalodi Bikaner project commencing from the appointment date. At the end of the concession period, the assets will be transferred back to National Highway Authority of India (NHAI).

In case of material breach in terms of agreement the NHAI and group have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement. Ircon DHHL has been incorporated on 11.05.2017 as an SPV by Ircon International Limited (Ircon) pursuant to LOA issued by NHAI on 29.03.2017 for executing the project works of "Six-laning of Davanagere - Haveri from km 260+000 to km 338+923 of NH-48 (old NH-4) in the state of Karnataka to be executed as Hybrid Annuity Project on DBFOT under NHDP Phase - V" in accordance with the terms of the concession agreement signed with NHAI as its main business object.

Ircon IVKEL has been incorporated on 16.05.2018 as an SPV by Ircon International Limited (Ircon) pursuant to LOA issued by NHAI on 28.03.2018 for executing the project works of "Eight Lane Vadodara Kim Expressway from km 323 to km 355 of NHDP Phase IA - Package II in the state of Gujarat to be executed as Hybrid Annuity Project on DBFOT under NHDP Phase - VI" in accordance with the terms of the concession agreement signed with NHAI as its main business object.

Presently, the project is under execution phase and the operation and maintenance phase shall commence on completion of construction.

Group has recognized revenue of **Rs. 382.53 crore** (Rs. 472.29 crore) on construction of intangible assets under service concession agreement. Group has recognized **Rs. Nil** (Rs. Nil) as profit on construction of intangible assets under service concession arrangement. The revenue recognized in relation to construction of intangible assets under service concession arrangement represents the fair value of services provided towards construction of intangible assets under service concession arrangement. The group has recognised revenue of **Rs 77.62 Crore** from operation of toll roads.

50. The Group has engaged agents/consultants to secure contracts and provide other services for foreign projects, being

## Notes to Consolidated Financial Statement for the financial

year March 31, 2019

implemented in three countries. Pending assessment of services provided by the agent/ consultants, the company has not accounted for expenses aggregating to **Rs. 6.23 crore** (Rs 4.96 crore) comprising of **Rs. 1.27 Crore** (Rs 1.16 crore) during financial year 2018-19.

- 51.** In one of the projects under Northern Region, provision in respect of legal expenses amounting to **Rs 12.65 crore** (Rs.11.52 crore) has not been provided in the accounts based on legal opinion that the liability is primarily not of the company.
- 52.** There are certain claims against the Ircon PB Tollway Limited not acknowledged as debt of Rs. 7.20 crore (Rs. 7.20 crore) net of provisions of Rs. NIL crore (Rs. NIL crore). Due to operational issues (delay in approval of drawings, demand of local villagers, utility shifting, land acquisition and availability, forest clearance etc.), there are delays in achieving project milestone. Company has filed a request to NHAI for modification of milestone timelines under clause 12.4.2 of the concession agreement without damage / financial implication on part of the company. Company has received an intimation from the Independent Engineer regarding the delay in achieving milestone. Further, NHAI has deducted a sum of Rs. 7.20 Crores on account of damages upto **31st March 2019** (Rs. 7.20 crore till 31st March 2018). The Company is already communicated to NHAI that delay is not attributable to IPBTL. Hence, IPBTL has not recognized claim against the delay as a liability or a contingent liability.

Amount of Rs. 7.20 Cr is considered good as other receivables under other financial assets- current and is yet to be received from / confirmed by NHAI.

### 53. Events occurring after Reporting period

Refer to Note 14 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing meeting.

- 54.** (a) The figure for the corresponding previous years have been regrouped/ reclassified/recasted, wherever necessary to make them comparable.
- (b) Certain prior period figures have been restated. The effect on the reported results of operation has been disclosed in note no 27 of the financial statements.
- (c) Previous year figures are shown under bracket () to differentiate from current year figures.

### 55. Standards issued but not effective for the financial year 2018-19

On March 30, 2019, Ministry of Corporate Affairs has notified **Ind AS 116, Leases**. Ind AS 116 will replace Ind AS 17 and related interpretations from its proposed effective date, being annual periods beginning on or after 1 April 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 requires the identification of leases and introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The Group as a lessee, would be required to account for the assets on lease and corresponding liability for all leases in its Balance Sheet.

- 56.** (i) During the financial year 2017-18, based on Expert opinion taken by management it was decided that the effects of discounting security deposit with client and contractor, Retention money with client and contractor and money withheld with client and contractor was not material for the preparation and presentation of financial statements. Ind AS 8- "Accounting Policies, Changes in Accounting Estimates and errors" allows that the policies specified by Ind AS need not to be applied when the effect of applying them is immaterial. Hence, it has been decided to discontinue discounting the same.
- (ii) Due to discontinuing of discounting as stated above the carrying value of the financial liabilities had increased by Rs. 48.70 crore, financial assets had increased by Rs. 6.45 crore, non-financial liabilities had decreased by Rs. 42.70 crore and non-financial assets have been decreased by Rs. 6.24 crore. The resultant net impact on Profit and Loss of FY 2017-18 was amounting to Rs. 5.80 crore, which is not considered as material for the preparation and presentation of financial statements.

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

57

**(i) Disclosure pursuant to Indian Account Standard (IND AS-112): Disclosure of interest in Other Entities:- Joint Ventures**

(a) Summarised Balance Sheet of joint venture(s)

( ₹ in crore)

Particulars	Bastar Railways Private Limited (BRPL)		Chattisgarh East Railway Limited (CERL)		Chattisgarh East West Railway Limited (CEWRL)		Indian Railway Stations Development Corporation Ltd (IRSDC)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Non-Current Assets	250.87	34.23	1573.54	1134.97	623.58	562.38	42.07	26.66
Current Assets	59.2	0.73	159.32	34.45	22.09	29.43	51.67	40.97
<b>Total Assets (A)</b>	<b>310.07</b>	<b>34.96</b>	<b>1,732.86</b>	<b>1,169.42</b>	<b>645.67</b>	<b>591.81</b>	<b>93.74</b>	<b>67.63</b>
<b>Non-Current Liabilities</b>	-	-	<b>1,249.28</b>	<b>838.86</b>	<b>112.46</b>	<b>54.03</b>	<b>0.06</b>	<b>0.06</b>
Current Liabilities	17.20	33.86	43.29	25.13	29.73	34.19	16.39	4.79
<b>Total Liabilities (B)</b>	<b>17.20</b>	<b>33.86</b>	<b>1,292.57</b>	<b>863.99</b>	<b>142.19</b>	<b>88.22</b>	<b>16.45</b>	<b>4.85</b>
<b>Net Assets (A-B)</b>	<b>292.87</b>	<b>1.10</b>	<b>440.29</b>	<b>305.43</b>	<b>503.48</b>	<b>503.59</b>	<b>77.29</b>	<b>62.78</b>
a) Includes Cash & Cash Equivalents	54.08	0.70	50.71	13.87	9.35	21.10	1.17	0.31
b) Includes Financial Liabilities (including Trade payables and other payables but excluding provisions)	17.20	33.86	1,291.47	863.54	140.71	87.81	12.24	4.31

( ₹ in crore)

Particulars	Iicon - Soma Tollway Private Limited		Jharkhand Central Rail Limited (JCRL)		Mahanadi Coal Rail Limited (MCRL)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Non-Current Assets	406.91	465.19	165.04	188.35	44.01	33.62
Current Assets	207.3	50.23	27.1	40.08	0.12	0.25
<b>Total Assets (A)</b>	<b>614.21</b>	<b>515.42</b>	<b>192.14</b>	<b>228.43</b>	<b>44.13</b>	<b>33.87</b>
Non-Current Liabilities	505.86	437.16	136.59	175.58	-	-
Current Liabilities	21.90	23.47	0.04	3.51	44.11	33.84
<b>Total Liabilities (B)</b>	<b>527.76</b>	<b>460.63</b>	<b>136.63</b>	<b>179.09</b>	<b>44.11</b>	<b>33.84</b>
<b>Net Assets (A-B)</b>	<b>86.45</b>	<b>54.79</b>	<b>55.51</b>	<b>49.34</b>	<b>0.02</b>	<b>0.03</b>
a) Includes Cash & Cash Equivalents	2.31	5.60	0.24	0.36	0.11	0.21
b) Includes Financial Liabilities (including Trade payables and other payables but excluding provisions)	415.34	376.09	-	-	43.40	22.87

**Notes to Consolidated Financial Statement for the financial**  
year March 31, 2019

57

(i) Disclosure pursuant to IND AS-112: Disclosure of interest in Other Entities:- Joint Ventures

(b) Summarised Statement of Profit and Loss of Joint Ventures:

(₹ in crore)

Particulars	Bastar Railways Private Limited (BRPL)		Chattisgarh East Railway Limited (CERL)		Chattisgarh East West Railway Limited (CEWRL)		Indian Railway Stations Development Corporation Ltd (IRSDC)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue	-	-	-	-	-	-	23.15	8.03
Interest Income	2.64	0.08	-	-	-	-	2.46	1.69
Other Income	0.00	-	-	-	-	-	0.52	0.26
Depreciation and amortisation	-	-	-	-	-	-	0.01	1.58
Interest expense	-	-	-	-	-	-	-	-
Income tax	-	-	-	-	-	-	3.75	(0.80)
Profit for the year	1.77	(2.41)	(0.15)	(0.16)	(0.12)	(0.15)	10.06	2.74
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	1.77	(2.41)	(0.15)	(0.16)	(0.12)	(0.15)	10.06	2.74

(₹ in crore)

Particulars	Ircan - Soma Tollway Private Limited		Jharkhand Central Rail Limited (JCRL)		Mahanadi Coal Rail Limited (MCRL)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue	196.88	175.87	-	-	-	-
Interest Income	6.54	1.95	1.79	1.72	-	-
Other Income	0.23	0.07	-	-	-	-
Depreciation and amortisation	58.29	58.29	-	-	-	-
Interest expense	47.42	51.71	-	-	-	-
Income tax	17.30	12.97	0.59	-	-	-
Profit for the year	31.68	9.34	1.17	(0.03)	(0.01)	(0.01)
Other comprehensive income	(0.03)	-	-	-	-	-
Total comprehensive income	31.65	9.34	1.17	(0.03)	(0.01)	(0.01)

## Notes to Consolidated Financial Statement for the financial year March 31, 2019

57

**(i) Disclosure pursuant to Indian Account Standard (IND AS-112): Disclosure of interest in Other Entities:- Joint Ventures**
**(c) Reconciliation of carrying amounts of joint ventures:**

(₹ in crore)

Particulars	Bastar Railways Private Limited (BRPL)		Chattisgarh East Railway Limited (CERL)		Chattisgarh East West Railway Limited (CEWRL)		Indian Railway Stations Development Corporation Ltd (IRSDC)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Opening net assets	1.10	3.51	305.43	305.59	503.60	503.75	62.78	40.04
Profit for the year	1.77	(2.41)	(0.15)	(0.16)	(0.12)	(0.15)	10.06	2.74
Increase in paid up share capital	290.00	-	135.00	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Equity component of other financial instruments	-	-	-	-	-	-	-	-
Other Adjustment (Application Money Pending Allotment)/	-	-	-	-	-	-	5.80	20.00
Share issue Expenses	-	-	-	-	-	-	(1.35)	-
<b>Closing net assets</b>	<b>292.87</b>	<b>1.10</b>	<b>440.28</b>	<b>305.43</b>	<b>503.48</b>	<b>503.60</b>	<b>77.29</b>	<b>62.78</b>
<b>Group's share in %</b>								
(i) In Paid up Share Capital and Profit	26.00%	32.82%	27.79%	27.31%	26.02%	26.02%	50.00%	50.00%
(ii) In Share Application Money Pending Allotment	0%	0%	-	-	-	-	-	-
Group's share								
(i) In Paid up Share Capital and Profit	76.15	0.36	122.36	83.42	131.01	131.05	38.65	31.39
(ii) In Share Application Money Pending Allotment	0.00	0.00	-	-	-	-	(7.10)	-
Other Adjustments	-	-	-	-	-	-	-	-
<b>Carrying amount</b>	<b>76.15</b>	<b>0.36</b>	<b>122.36</b>	<b>83.42</b>	<b>131.01</b>	<b>131.05</b>	<b>31.55</b>	<b>31.39</b>

(₹ in crore)

Particulars	Ircon - Soma Tollway Private Limited		Jharkhand Central Rail Limited (JCRL)		Mahanadi Coal Rail Limited (MCRL)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Opening net assets	54.79	45.45	49.33	32.67	0.03	0.03
Profit for the year	31.65	9.34	1.17	(0.03)	(0.01)	-
Increase in paid up share capital	-	-	-	16.69	-	-
Other Comprehensive Income	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Equity component of other financial instruments	-	-	-	-	-	-
Other Adjustment (Application Money Pending Allotment)	-	-	5.00	-	-	-
<b>Closing net assets</b>	<b>86.44</b>	<b>54.79</b>	<b>55.50</b>	<b>49.33</b>	<b>0.02</b>	<b>0.03</b>
<b>Group's share in %</b>						
(i) In Paid up Share Capital and Profit	50.00%	50.00%	26.00%	26.00%	26.00%	26.00%
(ii) In Share Application Money Pending Allotment	-	-	5.00	-	-	-
Group's share						
(i) In Paid up Share Capital and Profit	43.22	27.40	13.13	12.83	0.01	0.01
(ii) In Share Application Money Pending Allotment	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
<b>Carrying amount</b>	<b>43.22</b>	<b>27.40</b>	<b>13.13</b>	<b>12.83</b>	<b>0.01</b>	<b>0.01</b>



## Notes to Consolidated Financial Statement for the financial year March 31, 2019

(ii) Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2019

( ₹ 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 (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Other Comprehensive Income	Amount (Rs.)	As % of Consolidated Total Comprehensive Income	Amount (Rs.)
<b>Parent Company</b>								
Ircon International Limited	76.34%	3,026.39	98.80%	444.68	100.00%	(7.79)	98.78%	436.8
<b>Subsidiaries</b>								
Ircon Shivpuri Guna Tollway Limited (ISGTL)	3.00%	119.02	-6.81%	(30.65)	0.00%	-	-6.93%	(30.65)
Ircon PB Tollway Limited (IPBTL)	4.21%	166.81	-0.47%	(2.12)	0.00%	-	-0.48%	(2.12)
DHHL	2.69%	106.82	0.48%	2.14	0.00%	-	0.48%	2.14
Ircon Infrastructure & Services Limited (IISL)	3.07%	121.71	3.21%	14.43	0.00%	-	3.26%	14.43
Ircon Vadodara Kim Express way Limited (IVKEL)	0.15%	6.05	0.01%	0.05	0.00%	-	-0.01%	0.05%
<b>Total Subsidiaries</b>	-	<b>520.41</b>	-	<b>(16.15)</b>	-	-	-	<b>(16.15)</b>
Non- Controlling interest in Subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Net Amount of Subsidiaries</b>		<b>520.41</b>		<b>(16.15)</b>	<b>0.00%</b>	-		<b>(16.15)</b>
<b>Joint Ventures</b>								
Bastar Railways Private Limited (BRPL)	1.92%	76.15	0.10%	0.45	0.00%	-	0.10%	0.45
Chattisgarh East Railway Limited (CERL)	3.09%	122.36	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Chattisgarh East West Railway Limited (CEWRL)	3.30%	131.01	-0.01%	(0.03)	0.00%	-	-0.01%	(0.03)
Ircon - Soma Tollway Private Limited	1.09%	43.22	3.52%	15.83	0.00%	-	3.58%	15.83
Jharkhand Central Rail Limited (JCRL)	0.33%	13.12	0.07%	0.30	0.00%	-	0.07%	0.30
Mahanadi Coal Rail Limited (MCRL)	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Indian Railway Stations Development Corporation Limited (IRSDCL)	0.80%	31.55	1.12%	5.03	0.00%	-	1.14%	5.03
<b>Total Joint Ventures</b>	-	<b>417.42</b>	-	<b>21.54</b>	-	-	-	<b>21.54</b>
<b>Net Total</b>	<b>100%</b>	<b>3,964.22</b>	<b>100%</b>	<b>450.07</b>	<b>100%</b>	<b>(7.79)</b>	<b>100%</b>	<b>442.27</b>

**As per our Report of even date attached**

**For K G Somani & Co.**  
Chartered Accountants  
FRN : 006591N

Sd/-  
**B. Maheshwari**  
Partner  
M. No. 088155

Place : New Delhi  
Date : 28<sup>th</sup> May, 2019

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

Sd/-  
**M. K. Singh**  
Director Finance  
DIN - 06607392

Sd/-  
**S. K. Chaudhary**  
Chairman & Managing Director  
DIN - 00515672

Sd/-  
**Ritu Arora**  
Company Secretary  
FCS No. 5270

**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 2019.**

The preparation of Consolidated financial statements of **IRCON INTERNATIONAL LIMITED** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditors 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 28 May 2019.

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 2019 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of subsidiaries namely Ircon Infrastructure and Services Limited, Ircon PB Tollway Limited, Ircon Shivpuri Guna Tollway Limited, Ircon Davanagere Haveri Highway Limited and Ircon Vadodara Kim Expressway Limited and Joint Venture namely Indian Railway Stations Development Corporation Limited but did not conduct supplementary audit of the financial statements of Jointly Controlled Entities (as per Annexure) 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.

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 Auditors' Report under section 143 (6) (b) of the Act.

For and on the behalf of the  
Comptroller & Auditor General of India

Place: New Delhi  
Dated: 11 July, 2019

Sd/-  
**(B.R. Mondal)**  
Principal Director of Audit  
Railway Commercial, New Delhi

**ANNEXURE**

**List of 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 2018-19**

**Joint Ventures**

1. Ircon-Soma Tollway Private Limited (ISTPL).
2. Baster Railway Pvt. Limited (BRPL).
3. Jharkhand Central Railway Limited (JCR).
4. Mahanandi Coal Railway Limited (MCRL).
5. Chhattisgarh East Railway Limited (CERL)
6. Chhattisgarh East-West Railway Limited (CEWRL)

Sd/-  
**Sr. Audit Officer (Coordination)**  
Railway Commercial





## **IRCON INTERNATIONAL LIMITED**

(A Government of India Undertaking)

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